
From: Scott, Allison (GOV)
Sent: Thursday, February 19, 2015 1:24 PM
To: Wisniewski, Wendy (GOV)
Subject: FW: COS list attached
Attachments: COS To Do List 150219.docx

Hmmmmmm am thinking we are in for a long meeting! ☺

From: Snyder, Rick (GOV)
Sent: Thursday, February 19, 2015 1:22 PM
To: Scott, Allison (GOV)
Subject: COS list attached

Please use the attached for later today.

Thanks
Rick

Major initiatives

Redacted

River of Opportunity

Redacted

Legislative

Redacted

Partner

Redacted

6. Flint Water

Redacted

Other

Redacted

From: Workman, Wayne (TREASURY)
Sent: Friday, August 14, 2015 10:38 AM
To: Snyder, Rick (GOV)
Cc: Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Scott, Allison (GOV); Khouri, Nick (TREASURY); Roberts, John (DTMB); Baird, Richard (GOV); Walsh, John (GOV); Redford, James (GOV); Allard, Claire (GOV); Wisniewski, Wendy (GOV); Saxton, Thomas (Treasury); Koryzno, Edward (Treasury); Durfee, Sally (TREASURY)
Subject: FW: Local Government Memo and Summary
Attachments: Gov Memo August 2015.docx; 201508_436Summary.docx

Governor Snyder, Attached is the latest update on distressed local governments along with a summary table. We can discuss in detail during our Tuesday briefing. Thank you, Wayne

Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: August 14, 2015
TO: Rick Snyder, Governor
FROM: Wayne Workman, Deputy State Treasurer
SUBJECT: Status of Financially Distressed Local Governments

EMERGENCY MANAGER

Lincoln Park

Emergency Manager: Brad Coulter

Appointed: July 3, 2014

Anticipated Exit: January 2016

Recent Developments

- A four-month plan has been developed, listing the priorities to be accomplished for the remainder of EM Coulter's term and beyond.
- The city is contemplating a lawsuit against the pension funds' actuary.
- PA 345 pension system millage of six mills will be on the November 2015 ballot. This is the second time PA 345 is going before Lincoln Park voters.
- The city ended FY 15 with an estimated \$100K General Fund operating surplus. The city has a General Fund deficit from previous years. EM Coulter will be submitting a Deficit Elimination Plan to Treasury.
- An actuarial analysis published on May 20, 2015, shows a further decline in pension funding down to 23%. More conservative actuarial assumptions were used in this report.
- EM Coulter has modified retiree collective bargaining agreements to reduce healthcare benefits. These changes were implemented in July 2015 and will reduce annual retiree healthcare costs from \$4.1M to \$600K.
- On August 10, 2015, the Lincoln Park Retiree Associations filed a lawsuit against the State of Michigan, Department of Treasury, and the City of Lincoln Park regarding the reduction of city retiree healthcare.
- Mathew Coppler, City Manager of Enfield, Connecticut, accepted the position of City Manager. His contract has been finalized and he will begin work October 1, 2015.

Lincoln Park (continued)

Significant Actions/Issues

- FY 15 ended with a General Fund accumulated deficit of \$636K, out of a total budget of \$21M. This is a significant increase from the FY 13 accumulated deficit of \$89K. Increases were in Public Safety - \$1.1M, Public Works - \$700K, and Culture and Recreation - \$600K.
- Last May voters rejected the Firefighters and Police Officers Retirement Act proposal by a 53% to 47% margin. Had it been approved, an additional \$3M annually would have helped fund fire/police pension and healthcare costs. EM Coulter is pursuing an alternative plan under provisions of PA 345 of 1927 to create a Board of Trustees to manage and operate the retirement system. A request for up to six mills per year to fund public safety pensions will be placed on the November ballot.

Issues to Resolve before EM Exit

- Increase and stabilize pension funding levels.
- Permanently eliminate structural deficit for future fiscal years.

FINANCIAL REVIEW COMMISSION (FRC)

Detroit

FRC Created: November 12, 2014

FRC Members: Nick Khouri, Bill Martin, Brenda Jones, Darrell Burks, John Roberts, Lorrion James, Mike Duggan, Stacy Fox, Tony Saunders

Recent Developments

- The Detroit City Council reconsidered the Detroit Water and Sewerage Department's proposed FY 16 water and sewer rate increase and approved it on July 21, 2015. This action eliminated a potential budget deficit, which was a concern raised by the State Treasurer in his July 2, 2015 letter to the city.
- The city issued its FY 14 Comprehensive Annual Financial Report (CAFR) on June 30, 2015 (following two three-month extensions granted by the State Treasurer). The city continued to have a deficit for FY 14 as that year closed prior to the bankruptcy confirmation in December 2014. The city expects to report a surplus in its FY 15 CAFR, which is currently underway and expected to be completed no later than March 2016.
- At the FRC's July 27, 2015 meeting, the city indicated it would reduce its bankruptcy exit financing debt by \$30M (from \$275M to \$245M) prior to its scheduled syndication in mid-August. The State Treasurer and FRC Executive Director are participating in the city's rating agency and investor presentations to discuss the State's oversight role.
- On July 29 and July 30, 2015, the city received its first post-bankruptcy credit ratings from S&P and Moody's. Only S&P rated the city's exit financing, for which it received an investment-grade "A" rating, with a stable outlook. The exit financing is secured by a statutory lien on city income tax revenue. Both rating agencies provided the city with updated underlying General Obligation (GO) ratings. S&P assigned a "B" rating, with a stable outlook. Moody's upgraded the city from "B3" to "B2," with a positive outlook.

Detroit (continued)

Significant Action/Issues

- The first statutorily required biannual report on Detroit was filed by the FRC on May 28, 2015. The report detailed the FRC's activities and formal requirements since its appointment in November 2014. The FRC will file its second biannual report in December 2015.
- The city submitted its Four-Year Financial and Operating Plan (Plan) to the FRC in March. After reviewing the Plan and determining it was based on sound assumptions and met all statutory requirements, the FRC granted approval on April 20, 2015. The city's Plan encompassed the second year (FY 16) of Emergency Manager Orr's two-year budget and used this as its base year with no changes, plus three years (FY 17, FY 18, and FY 19).
- The City of Detroit Assessor's Office is currently conducting a multi-year project to reappraise all properties in Detroit, after the State Tax Commission found significant problems with property valuations. The reappraisal is scheduled to be completed in 2017.

RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB)

Allen Park

RTAB Appointed: September 26, 2014

RTAB Members: Suzanne Schafer, Joyce Parker, Fredrick Frank, Karen Barann

Recent Developments

- The City Council has approved a new, four-year collective bargaining agreement with the police bargaining unit. Treasury reviewed the tentative agreements and had a number of concerns with the terms including the identification of over \$237K in increased costs in Year 1. Despite these concerns, the RTAB voted 2 to 1 to ratify the approval of these collective bargaining agreements.
- The city wishes to seek bids for retiree health insurance coverage after being informed by Blue Cross that a 23% rate increase of \$644K will become effective October 1, 2015. The RTAB has approved this request and Treasury is working with the city to identify potential legal ramifications in the lawsuit with retirees if coverage is changed to a new provider.
- The city was informed by Blue Cross that a billing oversight has resulted in the city underpaying for insurance coverage for retirees in the amount of \$853K.
- The city received a \$1.2M Staffing for Adequate Fire and Emergency Response Grant, which will allow them to retain six firefighters over the next two years.
- On May 15, 2015, an updated five-year budget projection from the city was received. The RTAB approved this item on August 5, 2015.
- The RTAB approved the hiring of a professional search firm to assist with finding qualified City Administrator candidates. Treasury is participating in the selection process. The City Council will be interviewing the finalists for the position in August 2015.
- Completion of the bond tender process is projected for August 2015. The 2015 Refunding Bonds will be rated Single A, due to the city's pledge of distributable state aid.

- Standard & Poor's released its rating of the city on June 24, 2015, in anticipation of the bond tender release. The city's long-term rating for the existing bonds was downgraded with a negative outlook. The downgrade of these bonds is similar to the rating by Standard and Poor's on the City of Detroit's DWSD tender refinancing.

Allen Park (continued)

Recent Developments (continued)

- A retired city employee has brought a breach of contract and age discrimination lawsuit against the city. The city's insurance policy covers only a small portion of the alleged damages. A Settlement Conference was held between all parties on July 20, 2015, but no resolution was achieved. The court has ordered mediation proceedings.
- The city's current budget is balanced.

Significant Actions/Issues

- The city completed its move to a new temporary City Hall on June 8, 2015.
- The City Council adopted the FY 16 Budget on May 26, 2015, and the RTAB approved this action on June 3, 2015.
- Inquiries are being made to add one member to the RTAB.
- Litigation was filed by retirees challenging the EM's authority to reduce other post-employment benefit (OPEB) liabilities. A motion for summary disposition is pending. No date has been set to hear this motion.

Benton Harbor

RTAB Appointed: March 10, 2014

RTAB Members: Larry Steckelberg, Bret Witkowski, Marvin Raglon, Sharon Hunt

Recent Developments

- On August 3, 2015, the City Commission adopted a resolution requesting a hearing with the Department of Treasury to discuss financial assistance for decisions made during the tenure of emergency managers that resulted in legal fees and settlement costs.
- TAt-Large Commissioner Mary Donald passed away on June 12, 2015. On August 10, 2015, the City Commission appointed Edward Isom to finish her unexpired term, which ends December 31, 2015. On August 11, 2015, the RTAB approved the appointment.
- The first annual evaluation from the RTAB was conducted on July 29, 2015. It will be sent to the RTAB for review.
- The City Commission adopted the FY 16 Budget on June 15, 2015. The RTAB approved this action on June 22, 2015.

Significant Actions/Issues

- FY 14 audited General Fund revenues exceed expenditures by \$1M, out of a total budget of \$6.1M.
- Former Benton Harbor Public Safety Director Roger Lange brought a Whistleblower and Elliot Larson Civil Rights case against the City of Benton Harbor and former EM Tony Saunders. Mediation took place on July 17, 2015, with Jon March of Miller Johnson serving as the mediator. No settlement was reached.

Ecorse

RTAB Appointed: May 1, 2013

RTAB Members: Edward Koryzno, Robert Bovitz, Joyce Parker

Recent Developments

- The city has completed a balanced five-year financial plan. One challenge includes the outsourcing of fire services which must be realized soon to keep the financial plan solvent. This is the first time the city has proposed a viable path out of receivership.
- The degree of State oversight may be reduced if the city can convincingly show a commitment to the cost saving measures they have promised.
- The RTAB approved the city's choice for city controller at the August meeting. Tim Sadowski will commence work later this month.
- A second annual evaluation from the RTAB will commence in the coming months.

Significant Actions/Issues

- The city continues to have difficulty attracting qualified candidates and filling higher level administrative positions.
- Municipal Employee's Retiree System pension contributions are anticipated to increase from \$1.8M in FY 15 to \$2.4M in FY 16 due to accelerated funding for closed plans.
- On May 12, 2015, the RTAB approved a narrowly balanced FY 16 Budget. To balance the budget, the city increased an existing PA 33 levy by approximately 15 mills.

Flint

RTAB Appointed: April 29, 2015

RTAB Members: Frederick Headen, Brian Larkin, David McGhee, Beverly Walker-Griffiea, Robert McMahan

Recent Developments

- At a special meeting held on August 11, 2015, the City Council approved the transfer of \$323K from the Fire Department to the Police Department to hire five additional patrol officers. The RTAB approved this transfer on August 12, 2015.
- On August 7, 2015, Genesee County Circuit Court invalidated the city's 35 percent water and sewer rate increases which were reverted back to 2011 rates. This decision could potentially cost the City's General Fund up to \$50M. The city expects to receive a final order from the Circuit Court on August 17, 2015, and is prepared to file an emergency appeal to the Court of Appeals. The City Administrator has instituted hiring and spending freezes across all departments, and Treasury is working with the city to identify the impact from this decision.
- In addition, on August 7, 2015, Genesee County Circuit Judge Archie Hayman issued an emergency injunction that prevents the city from further charging water service fees, instituted on all water bills to recoup funds used to settle a 2007 lawsuit. The ruling requires the city to repay \$15.7M from the General Fund to the Water Fund. The ruling also prohibits the city from disconnecting water service for late payment and prevents the city from placing liens on property for past due water bills. The city plans to appeal this decision.

Flint (continued)

Recent Developments (continued)

- The City Council approved an amendment to the EM adopted FY 15 Budget on June 29, 2015. The city ended FY 15 with an estimated \$495K General Fund balance. The RTAB denied the budget amendment at their July 15, 2015 meeting because the City Council also approved the use of \$200K of the city's \$495K General Fund balance for grass and weed abatement throughout the city. The City Council reconsidered and adopted the budget amendments, which were approved by the RTAB on August 12, 2015. The City Administrator has also developed a plan to allocate additional resources toward grass and weed abatement.
- On July 15, 2015, the RTAB approved the issuance of an Obsolete Property Rehabilitation Act (OPRA) certificate for a downtown property. The City Council had initially rejected issuance of the OPRA certificate but an EM Order permits the RTAB to make the final determination on economic development projects.
- On July 15, 2015, the RTAB also approved ballot language for the renewal of the Regional Flint Mass Transportation Authority millage. The renewal is proposed for five years at the current 0.6 mills per year. This proposal will appear on the November 2015 ballot.
- U.S. District Judge Stephen J. Murphy denied a motion for a preliminary injunction on June 23, 2015, to force the city to purchase water from the City of Detroit. Another lawsuit to force the city to purchase water from the City of Detroit was filed in Genesee County Circuit Court on July 16, 2015.
- The city's Economic and Community Development Director is leaving in August 2015. Current staffing vacancies also include the City Treasurer and the Human Resources Director.
- As a result of a recent review, the State Tax Commission notified the city that it must maintain adequate assessment records in compliance with statute and State Tax Commission Rules, and must implement any corrective actions necessary. In addition, the city shall implement a full reassessment within a time frame agreed upon with the State Tax Commission. The city is preparing to issue an RFP for a reappraisal.
- The city continues to inform residents that it is in violation of the Clean Water Standards Act. Monthly testing is ongoing.
- The city is implementing Veolia recommended improvements to its water system, including water plant improvements, distribution system improvements, new policies and procedures, and better communication with customers. The city installed a \$1.5M granulated active-charcoal filter to improve water quality. All twelve filters are completely installed and will be in use by August 17, 2015.
- The city hired Echologics at a cost of \$895,850 to perform a leak detection study. This project commenced on August 10, 2015.
- The KWA pipeline is expected to be completed in June 2016. The two pump stations are 75% complete and the intake should be completed in August 2015.

Flint (continued)

Significant Actions/Issues

- The City Administrator has issued a Corrective Action Plan to the City Clerk to correct a number of operational deficiencies that resulted in the wrong election submission dates being provided to local candidates.
- On June 12, 2015, the Michigan Court of Appeals reversed a decision by Genesee County Circuit Judge Richard Yuille, who dismissed a claim that the city violated its own ordinances when the EM raised water and sewer rates in 2011.
- If the city loses a lawsuit over retiree healthcare, the EM's two-year budget does not assume an additional \$5M to \$6M annual expense.

Hamtramck

RTAB Appointed: December 18, 2014

RTAB Members: Deborah Roberts, Mark Stema, Cathy Square, Karen Young

Recent Developments

- The city is undertaking a \$7M sewer infrastructure improvement project which is eligible for State Revolving Fund monies. The project will reduce storm water inflow into the sanitary sewers.
- The City is pursuing a third party police study which will help administrators reduce the overtime rates.
- A contractor is reassessing both residential and commercial properties.

Significant Actions/Issues

- The City Council adopted the FY 16 Budget on June 17, 2015. The RTAB approved this action on June 23, 2015. The city has also developed a long-term capital improvement plan.
- A suit was filed in federal court by Hamtramck retirees over changes to healthcare benefits made in October 2014. The potential exposure to the city is currently unknown.
- The annual pension liability is anticipated to increase from \$3.5M in FY 15 to \$4.3M by FY 19. This increase is a result of closing certain pension plans and the Michigan Employee's Retirement System (MERS) policy of accelerating the required contribution for closed plans. The increases were included in the EM two-year budget.

Pontiac

RTAB Appointed: August 19, 2013

RTAB Members: Edward Koryzno, Louis Schimmel, Keith Sawdon, Robert Burgess

Recent Developments

- On July 18, 2015, the City Council approved the recommendation of the Local Officer Compensation Commission to increase Council's compensation from \$7K to \$15K. The RTAB approved this action on July 27, 2015.
- Interviews for the Deputy Mayor position are being held in August 2015.
- The city lost the Supreme Court ruling on efforts to demolish the Phoenix Center. Treasury is working with the city to move forward with the sale to a private operator which frees up \$2M in demolition funds.

Pontiac (continued)

Significant Actions/Issues

- On June 18, 2015, the City Council adopted the proposed FY 16 Budget and 2015 tax rates. The RTAB held a special meeting on June 26, 2015, to approve the proposed FY 16 Budget and 2015 tax rates.
- On May 21, 2015, the Securities and Exchange Commission (SEC) issued an Order to initiate proceedings against Gray & Company, the city's pension investment advisor. The proceedings involve Gray & Company's dealings with investments made by several Georgia pension plans in the Gray & Company Alternative Fund II LP, a proprietary private equity fund. The Pension Board met with Mr. Gray to discuss the SEC proceedings, its effects on the Pontiac GERS portfolio, and how much is invested with Gray's firm. The Pension Board has withdrawn its pension assets from Gray & Company controlled funds.
- The city lost a decision at the Michigan Court of Appeals which may make it liable for a \$3.5M payment to the Police and Fire VEBA. The city requested reconsideration but was denied. On May 20, 2015, the RTAB approved the city's request to appeal to the Michigan Supreme Court.
- Per the city's FY 14 audit, the general fund's accumulated fund balance is approximately \$5M out of a total budget of \$27M.
- The City of Pontiac Retired Employees Association v. City of Pontiac lawsuit (in U.S. District Court) was reassigned from Judge Lawrence P. Zatkoff to Judge Avern Cohn. The lawsuit challenges former EM Schimmel's elimination of retiree healthcare and replacement with an annual stipend. The General Employees Retirement System Pension Fund is significantly overfunded and the parties are exploring options to use the overfunded portion to fund retiree healthcare. Mediation is taking place under the supervision of Eugene Driker.

CONSENT AGREEMENT

Inkster

Date Executed: February 20, 2012

Consent Agreement Consultant: Mark Stuhldreher

Recent Developments

- On August 3, 2015, the Inkster City Council voted to change the employment status of City Manager Richard Marsh to Special Advisor to the city. The City Council named City Treasurer Mark Stuhldreher to the position of Interim City Manager. A search firm will conduct a national search to fill the City Manager's position.
- The City Manager with the approval of the City Treasurer, hired William Riley, Police Chief of Selma, Alabama, to the position of Police Chief. Mr. Riley's start date was August 10, 2015.
- On June 29, 2015, a tentative agreement was reached with Wayne County to place a judgment levy starting with the December 2015 tax roll, for five years, to repay the county \$4.9M in past due sewer charges. The city would like to postpone the levy until 2016 and are in discussions with Wayne County.

- The city is collaborating with MSHDA and MEDC to seek new housing developments and development of several vacant commercial parcels.

Inkster (continued)

Significant Actions/Issues

- The City Council approved the FY 16 Budget on May 18, 2015.
- On April 20, 2015, the city adopted a working capital reserve policy for the Water and Sewer Fund which will provide funds for emergency situations.
- On June 29, 2015, an Order was issued requiring the City Treasurer to approve all employment matters with city officials and employees, expenditure of funds, and all contracts.

River Rouge

Date Executed: December 15, 2009

Consent Agreement Consultant: N/A (PA 72)

Significant Actions/Issues

- A fire union collective bargaining agreement was approved in March, resulting in a reduction in healthcare costs.
- The city adopted its FY 16 Budget on May 19, 2015. The budget is balanced and has a beginning fund balance of \$1,967,613. The city has prepared a proposed five-year budget that shows a deficit in FY 18 to FY 20 unless additional revenues can be found.

Royal Oak Township

Effective Date: April 21, 2014

Consent Agreement Consultant: Robert Burgess

Recent Developments

- On August 4, 2015, voters approved a renewal of 4.5 mills for general operations.
- The township audit was completed. The auditors recommended that the township submit a Deficit Elimination Plan for 2014, select a firm to advise the Township on financial matters and perform an inventory of assets.
- A report issued by the Rehmann Group, the township's financial consultant, noted that the township must make budget adjustments of \$164,275 to its FY 15 General Fund Budget to account for expenditures exceeding revenues in FY 14. The township adopted budget amendments on May 28, 2015.
- An Order was issued on June 17, 2015, granting the Consultant broad authority to approve expenditures made by the township and ensure that obligations are being paid. The Order also gives the Consultant authority to return the \$620K in reimbursed retirement assets to MERS.

Significant Actions/Issues

- The Michigan State Police continues to provide police services to the township.
- Treasury learned that the Township Supervisor was regularly authorizing overtime for employees, though overtime was not included in the FY 15 Budget and the Consent Agreement requires State Treasurer approval prior to overtime expenditures. An Order was issued May 20, 2015, requiring the Consultant to approve all requests for overtime prior to authorization.

NEUTRAL EVALUATION

Highland Park

Financial Review Team Appointed: December 2, 2013

Financial Emergency Declared: January 30, 2014

PA 436 Option Selected: Neutral Evaluation

Recent Developments

- On August 11, 2015, a report was issued by Meadowbrook Insurance on the progress of reducing the City's healthcare costs. When successfully implemented after October 1, 2015, the \$1.4M annual cost of healthcare could be reduced to \$630K.
- On July 6, 2015, Wade Trim began duties to operate and maintain the water and sewer systems.
- Louis Schimmel was hired on June 29, 2015, to provide consulting services regarding water and sewer issues.
- On July 31, 2015, the water and sewer amnesty program expired. City Administrator Cathy Square stated the city will work with customers to settle their past due accounts.
- The second phase of emergency loans is tentatively scheduled to take place on September 24, 2015. It would consist of approximately \$4.7M to restructure the city's three outstanding emergency loans and \$11.5M to refinance outstanding debt.
- The city has purchased the first quantity of water meters at a cost of \$343K.
- The city issued an RFP in July to contract-out the collection of past due water and sewer bills from residential and commercial customers.

Significant Actions/Issues

- On June 29, 2015, the City Council approved a substantial increase in water and sewer rates which will allow the city to fund water and sewer operations.
- On May 18, 2015, the City Council adopted a resolution requesting MDOT to pay for storm water drainage from the highways and freeways under MDOT's jurisdiction in the city.
- On May 18, 2015, City Council approved a consultant's recommendation for an amnesty plan for residential customers to pay arrearage amounts owed to the city. The consultant has determined that if all customers take advantage of the amnesty plan, the city could collect \$2.08M. The city has extended the amnesty plan until July 31, 2015. This will allow more time for customers to pay past due accounts.
- The city's liabilities total \$99.9M. Some major components are: \$55.3M debt, including \$20.7M owed to the DWSD, and \$26.1M unfunded other post-employment benefits (OPEB).

OTHER COMMUNITIES

Wayne County

Recent Developments

- On July 21, 2015, the Review Team reported to the Governor that a financial emergency existed in the County.
- On July 22, 2015, the Governor confirmed the finding of a financial emergency in Wayne County. The County did not request a hearing on the findings as provided for in Public Act 436 of 2012, the Local Financial Stability and Choice Act.
- On August 6, 2015, the County Commissioners voted to choose the option of a consent agreement to address its financial emergency.
- On August 13, 2015, the County Board approved the Consent Agreement negotiated between the County Executive and State Treasurer.

Significant Actions/Issues

- On June 10, 2015, the county reached a settlement with retirees on healthcare. The county will no longer provide health insurance but will instead provide a stipend to retirees. This will result in a savings of \$20M annually.
- On June 17, 2015, the Wayne County Executive requested a preliminary review under the Local Financial Stability and Choice Act, Public Act 436 of 2012. After notification to the county, Treasury began its preliminary review of the County's finances on June 19, 2015. A final preliminary review report was issued on June 30, 2015.
- On July 1, 2015, the Local Emergency Financial Assistance Loan Board met and found that probable financial stress exists in the county.
- The county's annual structural General Fund deficit is approximately \$52M prior to any of the proposed remedial actions.
- The county's proposed restructuring is approximately \$53M in General Fund savings, \$25M of which comes from changes to pension and healthcare benefits for active employees and healthcare benefits for retirees. The county has not yet proposed a long-term solution to its jail problems.

Public Act 436 of 2012 Summary

EMERGENCY MANAGER - MUNICIPALITIES				
Unit of Government	Current Emergency Manager	Initial Appointment Date	Target Exit Date	Notes
City of Lincoln Park	Brad Coulter	July 3, 2014	January 2016	FY 15 ended with an estimated \$100K general fund operating surplus. Will submit DEP. Actuarial analysis published on 5/20/15 shows further decline in pension funding down 23%. Mathew Coppler, City Manager of Enfield, Connecticut accepted position of City Manager.
FINANCIAL REVIEW COMMISSION (FRC) – MUNICIPALITIES				
Unit of Government	Board Members	Appointment Date	Target Exit Date	
City of Detroit	Nick Khouri, John Roberts, Bill Martin, Mike Duggan, Brenda Jones, Darrell Burks, Lorrion James, Stacy Fox, Tony Saunders	November 12, 2014	NA	City Council approved DWSD FY 16 water/sewer increase on 7/21/15 which eliminates a potential budget deficit. First post-bankruptcy credit rating – S&P “A” rating for exit financing, with stable outlook General Obligation rating – S & P rating is a “B” with stable outlook and Moody’s upgraded from “B3” to “B2” with a positive outlook. FRC filed its first biannual report on 5/28/15. 2 nd report will be filed in December 2015. Assessor’s Office conducting multi-year project to reappraise properties - complete in 2017.
RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB) - MUNICIPALITIES				
Unit of Government	Board Members	Appointment Date	Target Exit Date	Notes
City of Allen Park	Suzanne Schafer, Joyce Parker, Fredrick Frank, Karen Barann	September 26, 2014	NA	4-year CBA with police approved by Council and the RTAB despite concerns in increased costs. (RTAB vote was 2-1 to approve). RTAB approved 5-year financial plan on 5/15/15. Bond Tender projects to be completed in August 2015.
City of Benton Harbor	Larry Steckelberg, Bret Witkowski, Marvin Raglon, Sharon Hunt	March 10, 2014	NA	Commission requested a hearing to discuss financial assistance re EM decisions made that resulted in legal fees and settlement costs. Former Public Safety Director brought Whistleblower and Elliot Larson Civil Rights case against the city. Mediation took place on 7/17/15, no settlement reached.

Public Act 436 of 2012 Summary

City of Ecorse	Edward Koryzno, Robert Bovitz, Joyce Parker	May 1, 2013	NA	Balanced 5-year financial plan completed. Difficult changes must be realized to comply. RTAB approved balanced FY 16 Budget on 5/12/15.
City of Flint	Frederick Headen, Brian Larkin, David McGhee, Beverly Walker-Griffea, Robert McMahan	April 29, 2015	NA	RTAB approved Obsolete Property Rehabilitation Act (OPRA) certificate for downtown property on 7/15/15. Motion denied on 6/23/15 for preliminary injunction to force city to purchase water from Detroit. 2 nd lawsuit filed on 7/16/15. KWA pipeline expected to be completed in June 2016.
City of Hamtramck	Deb Roberts, Mark Stema, Karen Young, Cathy Square	December 1, 2015	NA	Undertaking a \$7M sewer infrastructure improvement project which is eligible for State Revolving Fund Monies. Project will reduce storm water inflow into sanitary sewers.
City of Pontiac	Edward Koryzno, Louis Schimmel, Keith Sawdon Robert Burgess	August 19, 2013	NA	Interviews for Deputy Mayor position are being held in August 2015. City lost Supreme Court ruling to demolish Phoenix Center. Treasury working with city to move forward with sale to private operator which frees up \$2M in demolition funds. FY 16 Budget and 2015 tax rates approved by RTAB on 6/26/15.
CONSENT AGREEMENT - MUNICIPLITIES				
Unit of Government	Treasury Representative/Consultant	Date Executed	Term of Consent Agreement	Notes
City of Inkster	Mark Stuhldreher, Interim City Manager and City Treasurer/Finance Director	February 20, 2012	N/A	On 8/3/15, City Council voted to change the employment status of the City Manager to Special Advisor. Mark Stuhldreher appointed interim City Manager. Tentative agreement w/ Wayne County for judgement levy starting w/ December 2015 tax roll. Collaborating with MSHDA and MEDC to seek new housing developments and development of several vacant commercial parcels.
City of River Rouge	N/A (P.A. 72)	December 15, 2009	N/A	FY 16 Budget adopted on 5/19/15. Proposed 5-yr budget shows a deficit in FY 18 to FY 20 unless additional revenues can be found.
Royal Oak Township	Robert Burgess	April 21, 2014	October 31, 2017	On 8/3/15, voters approved a renewal of 4.5 mills for general operations. Order issued on 6/17/15 granting the Consultant broad authority to approve expenditures made by the township to ensure obligations are being paid.

Public Act 436 of 2012 Summary

Wayne County				County selected the consent agreement option on 8/6/15. Currently negotiating. On 6/10/15, county reached settlement with retirees on healthcare to provide stipend in lieu of health insurance.
NEUTRAL EVALUATION - MUNICIPALITIES				
Unit of Government	Financial Review Team Appointed	Financial Emergency Declared	Date Option Selected	Notes
City of Highland Park	December 2, 2013	January 30, 2014	May 1, 2014	Wade Trim began operating and maintaining water and sewer systems on 7/6/15. 2 nd phase of emergency loans tentative for 9/24/15 – \$4.7M to restructure 3 outstanding loans and \$11.5M to refinance outstanding debt. City issued RFP to contract out collection of past due water/sewer bills. On 6/29/15, Council approved substantial increase in water/sewer rates.
OTHER COMMUNITIES				
City of Melvindale * City of Wayne *				
EMERGENCY MANAGER - SCHOOLS				
Unit of Government	Emergency Manager	Appointment Date	Target Exit Date	Notes
Detroit Public Schools	Darnell Earley	January 13, 2015	April 2016	FOP/ 45 Day Plan submitted on 2/27/15. Working on long-term strategy with E&Y/ Parthenon. Meeting with Coalition. Commence search for CFO. Weekly meetings to monitor critical cash, shortfall of approximately \$67M for FY15. ORS delinquencies growing to approximately \$39M (approximately \$12M from this FY).
Highland Park School District	Donald Weatherspoon	April 15, 2015	October 2016	Due to financial and academic restraints, educational services for grades 9-12 will be provided for by DPS starting in Fall 2015. Legacy costs, including but not limited to, retirement pensions, UI, legal services, and utilities have not been fully paid-to-date. Budget deficit decreased slightly for FY 15 and will continue to decrease by about \$800K each year afterward.

Public Act 436 of 2012 Summary

Muskegon Heights School District	Steven Schiller	April 15, 2015	October 2016	Completed transition from Mosaica to ISD on 6/30/14. Continue to struggle with residual financial issues related to exit of Mosaica. Budget deficit declining - negative fund balances reduced \$11.9M in FY 12 to \$1.1M in FY 15.
CONSENT AGREEMENT - SCHOOLS				
Unit of Government	Consultant	Appointment Date	Target Exit Date	Notes
School District of City of Pontiac	Donald Weatherspoon	October 15, 2013	September 2015	Budget deficit continues to decline and negative fund balance has been reduced from \$50.4M in FY 13 to \$35.9M in FY 15. On 8/4/15, voters disapproved a 2.87 millage, 5-yr sinking fund needed for facility repairs and improvements. Alternative options are now being reviewed, A \$10M emergency loan approved by ELB on 7/21/15. Due to \$20M loan cap per municipality, district is no longer eligible for future emergency loans.
Benton Harbor Schools	Cynthia M. LaGrow	November 18, 2014	November 2016	Appointed interim CFO in July 2015, search continues for permanent CFO. Transitioning from Plante Moran to Berrien RESA for essential office admin support. \$1.4M emergency loan approved by ELB on 7/21/25. G. Weatherspoon was appointed acting superintendent in June 2015. Former superintendent placed on administrative leave on 4/30/15 and currently under investigation.
SCHOOLS WATCH LIST				
Due to recent passage of PAs 109 and 111, Treasury is evaluating the list of schools with deficits that meet the new criteria.				

Message

From: Clement, Elizabeth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=CLEMENTE]
Sent: 10/13/2015 8:01:37 AM
To: Wisniewski, Wendy (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Siegelw]
Subject: Fwd: COS items

Sent from my iPhone

Begin forwarded message:

From: "Snyder, Rick (GOV)" [REDACTED]
Date: October 13, 2015 at 7:45:14 AM EDT
To: "Scott, Allison (GOV)" <scotta12@michigan.gov>
Cc: "Muchmore, Dennis (GOV)" <muchmored@michigan.gov>, "Clement, Elizabeth (GOV)" <clemente@michigan.gov>, "Agen, Jarrod (GOV)" <AgenJ@michigan.gov>, "Calley, Brian (GOV)" [REDACTED]
Subject: COS items

Please include the following:

1. Flint Water follow up and after action report

Redacted

Thanks

Rick

Sent from my iPad

Message

From: Wisniewski, Wendy (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=SIEGELW]
Sent: 11/19/2015 4:09:08 PM
To: Agen, Jarrod (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Agen Jarrod9ea]; Baird, Richard (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bairdr]; Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bedan Morgan683]; Calley, Brian (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/]; Clayton, Stacie (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Claytons3]; Clement, Elizabeth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Clemente]; Emmitt, Beth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Emmittb]; Forstner, Nathaniel (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Forstnern1]; Snyder, Rick (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/]; Hall, Jean (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Hallj16]; Hollins, Harvey (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Hollinsh]; McBride, Bill (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Mcbrideb]; Minix, Connie (DTMB) [/O=MIGOV/OU=EXternal (FYDIBOHF25SPDLT)/cn=Recipients/cn=4381dca892a148b392bff726ca14504c]; Muchmore, Dennis (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Muchmored]; Posthumus, Dick (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Posthumusd]; Quebbeman, Marsha (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Quebbemanm]; Redford, James (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Redford James021]; Roberts, John (DTMB) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Roberts John14b]; Rospond, Laurie (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Rospondl]; Saunders, Kelli (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Saundersk1]; Scott, Allison (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Scotta12]; Thomet, Ruth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Thomet Ruth534]; Walsh, John (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Walsh John91e]; Wisniewski, Wendy (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Siegelw]; Wurfel, Sara (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Wurfels]
Subject: Senior Staff
Attachments: Agenda Senior Staff Meeting (2).docx

Attached is the agenda for Monday's meeting.

Wendy Wisniewski

Executive Assistant to Dennis Muchmore

and Beth Clement

Executive Office of Governor Rick Snyder

George W. Romney Building, 2nd Floor

111 South Capitol Avenue

P.O. Box 30013

Lansing, MI 48909

(517) 241-5601

WisniewskiW@michigan.gov

AGENDA
SENIOR STAFF MEETING

Monday, November 23, 2015

Call-in Information:

Phone number -

Access Code -

Host Code -

Redacted

4) Flint (Hollins/Baird)

Redacted

From: Bedan, Morgan (GOV)
Sent: Friday, November 20, 2015 4:15 PM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Agen, Jarrod (GOV); Emmitt, Beth (GOV); Bedan, Morgan (GOV); Utley, Corey (GOV); Dickinson, Sarah (GOV)
Subject: November 20 Weekend Briefing and Bill Packet
Attachments: Redacted Copy of Statewide F17 Requests_2015-11-20.xlsx; 151120 Weekend Briefing.pdf

Governor,

Attached is your Weekend Briefing for November 20. The briefing contains:

Redacted

Please let us know if you have any questions.

Thank you,
Morgan

Attachment Redacted as Irrelevant

To: Governor Rick Snyder
From: JR
Re: Budget Materials
Date: November 20, 2015

Governor –

Attached please find budget materials for your review. The package contains:

Redacted

John

Pages 1-20 redacted

FY2017 INVESTMENT REQUESTS AND REDUCTION PROPOSALS

Updated 11/20/2015

Redacted

Redacted

			IT Related (yes or no)	ONGOING AGENCY REQUEST (\$ in Thousands)			ONE-TIME AGENCY REQUEST (\$ in Thousands)			Agency Priority	SBO Preliminary Recommend	Governor Priority	GOVERNOR'S RECOMMEND ONGOING (\$ in Thousands)			GOVERNOR'S RECOMMEND ONE-TIME (\$ in Thousands)					
	Agency	Investment Request		GF/GP	SAF	Gross	GF/GP	SAF	Gross				GF/GP	SAF	Gross	GF/GP	SAF	Gross	GF/GP	SAF	Gross
54	Environmental Quality	Drinking Water Revolving Fund Loan Program - provide 20% state match to obtain available federal grants	no	\$2,950.0		\$2,950.0	\$0.0		\$0.0	1 of 4	High		\$2,950.0		\$2,950.0	\$0.0		\$0.0			
55	Environmental Quality	Flint Water Issues (pass through funding to Genesee County Health Department for water testing and monitoring as well as funding for a Flint Action Plan Coordinator)	no	\$0.0		\$0.0	\$300.0		\$300.0	2 of 4	High; explore use of restricted revenues		\$0.0		\$0.0	\$300.0		\$300.0			

Redacted

Pages 22-48 redacted

Redacted Pages 1 - 21

Redacted

147				IT Related (yes or no)	ONGOING AGENCY REQUEST (\$ in Thousands)	
148						
149						
150		Agency	Investment Request		GF/GP	SAF
151	54	Environmental Quality	Drinking Water Revolving Fund Loan Program - provide 20% state match to obtain available federal grants	no	\$2,950.0	
152	55	Environmental Quality	Flint Water Issues (pass through funding to Genesee County Health Department for water testing and monitoring as well as funding for a Flint Action Plan Coordinator)	no	\$0.0	

Redacted

Redacted Pages 23-78

Attachment Redacted as Irrelevant

From: Scott, Allison (GOV)
Sent: Monday, November 30, 2015 12:58 PM
To: Wisniewski, Wendy (GOV)
Subject: FW: Some COS items
Attachments: COS Items 151130.docx

From: Snyder, Rick (GOV)
Sent: Monday, November 30, 2015 12:46 PM
To: Scott, Allison (GOV) <scotta12@michigan.gov>
Subject: Some COS items

Please include the attached.

Thanks
Rick

COS Items
November 30, 2015

1. SOS

Redacted

2. Year end and SOS

Redacted

3. Economic development

Redacted

4. Transportation/MDOT

Redacted

5. DC related items

Redacted

6. IT projects

Redacted

7. Flint Water

8. **Redacted**

From: Clement, Elizabeth (GOV)
Sent: Monday, November 30, 2015 3:29 PM
To: Wisniewski, Wendy (GOV)
Subject: Fwd: Revised State of State outline - V3
Attachments: SOTSv5 151130.docx; ATT00001.htm

Can you please print this for me to review this evening? The gov's edits are not showing up on my iPad.

Sent from my iPad

Begin forwarded message:

From: "Snyder, Rick (GOV)" [REDACTED]
Date: November 30, 2015 at 12:57:46 PM EST
To: "Brownfield, Michael (GOV)" <BrownfieldM2@michigan.gov>
Cc: "Agen, Jarrod (GOV)" <AgenJ@michigan.gov>, "Clement, Elizabeth (GOV)" <clemente@michigan.gov>, "Walsh, John (GOV)" <WalshJ@michigan.gov>, "Scott, Allison (GOV)" <scotta12@michigan.gov>
Subject: RE: Revised State of State outline - V3

Please see the edited version attached.

Thanks
Rick

From: Brownfield, Michael (GOV)
Sent: Tuesday, November 24, 2015 5:02 PM
To: Snyder, Rick (GOV) [REDACTED]
Cc: Agen, Jarrod (GOV) <AgenJ@michigan.gov>; Clement, Elizabeth (GOV) <clemente@michigan.gov>; Walsh, John (GOV) <WalshJ@michigan.gov>; Scott, Allison (GOV) <scotta12@michigan.gov>
Subject: Revised State of State outline - V3

Governor –

Per your request, this is the revised State of the State outline in Word, including changes from today.

Mike

2015

- I. Intros and Acknowledgments
- II. Dashboard

Redacted

- III. 2015

Redacted

- IV. Transition to 2016

Redacted

D. Flint, review other infrastructure (water & sewer)

Redacted

2016 and Forward -- Connecting All Corners of Michigan: We're stronger when we're working together.

- I. Economic Development

Redacted

Redacted

II. Education

Redacted

III. Quality of Life

Redacted

IV. Government -- Efficient, effective, accountable

Redacted

V. Roadmap for Year Ahead

Redacted

VI. Big Picture

VII. Follow items to find/add:

Redacted

From: Scott, Allison (GOV)
Sent: Thursday, December 17, 2015 12:54 PM
To: Wisniewski, Wendy (GOV)
Subject: FW: COS items

For CoS

From: Snyder, Rick (GOV)
Sent: Thursday, December 17, 2015 11:59 AM
To: Calley, Brian (GOV) [REDACTED]; Agen, Jarrod (GOV) <AgenJ@michigan.gov>; Clement, Elizabeth (GOV) <clemente@michigan.gov>; Muchmore, Dennis (GOV) <muchmored@michigan.gov>; Scott, Allison (GOV) <scotta12@michigan.gov>
Subject: COS items

Here are some COS items to cover:

Overall project list, leads, delivery dates

Bill to sign

Budget

Current priority projects:

1. [REDACTED]

2. Flint Water

3. [REDACTED]
4. [REDACTED]
5. [REDACTED]
6. [REDACTED]
7. [REDACTED]
8. [REDACTED]

SOS related:

1. [REDACTED]
2. [REDACTED]
3. [REDACTED]

Thanks
Rick

From: Clement, Elizabeth (GOV)
Sent: Friday, July 10, 2015 2:00 PM
To: Wisniewski, Wendy (GOV)
Subject: Fwd: Local Gov. Update - 7-10-15
Attachments: LG Update 7-10-15.docx; ATT00001.htm

Can you print this and put it in a to review file? I am going to send you a few more. Thanks and sorry for inundating you with these!

Sent from my iPad

Begin forwarded message:

From: "Workman, Wayne (TREASURY)" <WorkmanW@michigan.gov>
Date: July 10, 2015 at 9:48:30 AM PDT
To: "Snyder, Rick (GOV)" [REDACTED]
Cc: "Scott, Allison (GOV)" <scotta12@michigan.gov>, "Muchmore, Dennis (GOV)" <muchmored@michigan.gov>, "Roberts, John (DTMB)" <RobertsJ9@michigan.gov>, "Allard, Claire (GOV)" <allardcl@michigan.gov>, "Khouri, Nick (TREASURY)" <KhouriN@michigan.gov>, "Saxton, Thomas (Treasury)" <SaxtonT@michigan.gov>, "Storberg, Ann Marie (TREASURY)" <StorbergA@michigan.gov>, "Wisniewski, Wendy (GOV)" <wisniewskiW@michigan.gov>, "Dempkowski, Angela (Treasury)" <DempkowskiA@michigan.gov>, "Koryzno, Edward (Treasury)" <KoryznoE@michigan.gov>, "Clement, Elizabeth (GOV)" <clemente@michigan.gov>, "Walsh, John (GOV)" <WalshJ@michigan.gov>, "Redford, James (GOV)" <RedfordJ@michigan.gov>, "Headen, Frederick (Treasury)" <HeadenF@michigan.gov>, "Stanton, Terry A. (Treasury)" <StantonT@michigan.gov>, "Sampson, Jeremy (TREASURY)" <SampsonJ@michigan.gov>, "Durfee, Sally (TREASURY)" <DurfeeS1@michigan.gov>
Subject: Local Gov. Update - 7-10-15

Attached is the periodic update on distressed local governments. If you have any questions, please call.

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: July 10, 2015
TO: Rick Snyder, Governor
FROM: Wayne Workman, Deputy State Treasurer
SUBJECT: Status of Financially Distressed Local Governments

EMERGENCY MANAGER

Lincoln Park

Emergency Manager: Brad Coulter

Appointed: July 3, 2014

Anticipated Exit: January 2016

Recent Developments

- The city ended FY 15 with an estimated \$100K General Fund Balance.
- An actuarial analysis published on May 20, 2015 shows a further decline in pension funding, down to 23%. More conservative actuarial assumptions were used in this report.
- EM Coulter has modified retiree collective bargaining agreements to reduce healthcare benefits. These changes are to be implemented in July 2015 and will reduce retiree healthcare costs from \$4.1M to \$600K annually.
- City Manager interviews have been conducted. Mathew Coppler, City Manager of Enfield, Connecticut was offered the position and accepted. Contract discussions are underway.
- The Lincoln Park Retiree Associations have filed a Notice of Claim against the State of Michigan, Treasury, and the City of Lincoln Park regarding the reduction of city retiree healthcare.

Significant Actions/Issues

- FY 14 ended with a General Fund accumulated deficit of \$736K, out of a total budget of \$21M. This is a significant increase from the FY 13 accumulated deficit of \$89K. Increases were in Public Safety - \$1.1M, Public Works - \$700K, and Culture and Recreation - \$600K.
- Voters rejected the Firefighters and Police Officers Retirement Act proposal last month by a 53% to 47% margin. Had it been approved, an additional \$3M annually would have helped fund fire/police pension and healthcare costs. EM Coulter is pursuing an alternative plan under provisions of PA 345 of 1927 to create a Board of Trustees to manage and operate the retirement system. If successful, a request for seven mills per year to fund public safety pensions will be placed on the November ballot.

Issues to Resolve before EM Exit

- Police CBAs must be finalized.

- Increase and stabilize pension funding levels.

FINANCIAL REVIEW COMMISSION (FRC)

Detroit

FRC Created: November 12, 2014

FRC Members: Nick Khouri, Bill Martin, Brenda Jones, Darrell Burks, John Roberts, Lorrion James, Mike Duggan, Stacy Fox, Tony Saunders

Recent Developments

- In reaction to the June 30, 2015 vote by Detroit City Council against increasing rates on water and sewerage costs, the Chairman of the FRC and State Treasurer, sent a letter to Detroit's Mayor and City Council on July 2, 2015. The purpose of the letter was to ask the Mayor and City Council to provide the FRC with either the necessary information to demonstrate the city's plan to comply with the approved budget for FY 16, or the basis upon which the city will seek an amendment to the FY 16 budget. If the vote is not reversed, this action will result in the Detroit Water and Sewerage Department Enterprise Fund being in a deficit position for FY 16.
- At the FRC's June 22, 2015 meeting, the city provided an update on the syndication of the city's \$275M bankruptcy exit financing. The city may elect to repay a portion of the exit refinancing before the public offering, which is expected to occur in mid-August, and will report back to the FRC at the July 27, 2015 meeting.
- The most intense work the FRC will perform going forward is measuring the effectiveness of restructuring initiatives in light of the large annual pension obligations the city will incur beginning in 2024.

Significant Action/Issues

- The first statutorily required biannual report on Detroit was filed by the Financial Review Commission (FRC) on May 28, 2015. The report detailed the FRC's activities and formal requirements since its appointment in November 2014. The FRC will file its second biannual report in December 2015.
- The city submitted its Four-Year Financial and Operating Plan (Plan) to the FRC in March. After reviewing the Plan and determining it was based on sound assumptions and met all statutory requirements, the FRC granted approval on April 20, 2015. The city's Plan encompassed the second year (FY 16) of Emergency Manager Orr's two-year budget and used this as its base year with no changes, plus three years (FY 17, FY 18, and FY 19).
- The City of Detroit Assessor's Office is currently conducting a multi-year project to reappraise all properties in Detroit, after the State Tax Commission found significant problems with property valuations. The reappraisal is scheduled to be completed in 2017.

RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB)

Allen Park

RTAB Appointed: September 26, 2014

RTAB Members: Suzanne Schafer, Joyce Parker, Fredrick Frank, Karen Barann

Recent Developments

- The City Council adopted the FY 16 Budget on May 26, 2015. It was approved by the RTAB on June 3, 2015.
- The city completed its move to a new temporary City Hall on June 8, 2015. Final inspections are scheduled for July 17, 2015.
- The city met with the police bargaining unit and is considering a one-year extension to the CBA.
- On May 15, 2015, an updated five-year budget projection from the city was received. The RTAB will be considering this item at their July 22, 2015 meeting.
- The RTAB approved the hiring of a professional search firm to assist with finding qualified City Administrator candidates. Treasury will participate in the selection process. Initial screening of applicants is expected to begin in July 2015.
- Completion of the bond tender process is projected for August 2015. The 2015 Refunding Bonds will be rated Single A, due to the city's pledge of distributable state aid.
- Standard & Poor's released its rating of the city on June 24, 2015, in anticipation of the bond tender release. The city's long-term rating for the existing bonds was downgraded with a negative outlook. The downgrading for these bonds is similar to the rating by Standard and Poor's on the City of Detroit's DWSD tender refinancing.
- A retired city employee has brought a breach of contract and age discrimination lawsuit against the city. The city's insurance policy covers only a small portion of the alleged damages.

Significant Actions/Issues

- There's a need to add one member to the RTAB to find additional Allen Park area diversity.
- In April, the RTAB approved creation of an Interim Deputy City Administrator position to oversee city operations until the bond tender and City Hall projects are complete. Mark Kibby, former City Manager of the City of Woodhaven, was appointed to this position.
- Litigation was filed by retirees challenging the EM's authority to reduce other post-employment benefit (OPEB) liabilities. A motion for summary disposition is pending. No date has been set to hear this motion.

Benton Harbor

RTAB Appointed: March 10, 2014

RTAB Members: Larry Steckelberg, Bret Witkowski, Marvin Raglon, Sharon Hunt

Recent Developments

- The City Council adopted the FY 16 budget on June 15, 2015. The RTAB approved the FY 16 budget on June 22, 2015.
- There is a vacancy on the City Commission due to the passing of Commissioner Mary Donald.
- Former Benton Harbor Public Safety Director Roger Lange has brought a Whistleblower and Elliot Larson Civil Rights case against the City of Benton Harbor and former Emergency Manager Tony Saunders. The mediation is expected to take place on July 17, 2015 with Jon March of Miller Johnson serving as the mediator.
- The Finance Director, Deputy Finance Director, several Public Safety Officers, and two Public Works Department employees have resigned due to other employment opportunities.

- The first annual evaluation from the RTAB will commence in July.

Significant Actions/Issues

- On April 6, 2015, the City Commission passed resolutions adopting a procurement policy, investment policy, and a credit card policy.
- FY 14 audited General Fund revenues exceed expenditures by \$1M, out of a total budget of \$6.1M.

Ecorse

RTAB Appointed: May 1, 2013

RTAB Members: Edward Koryzno, Robert Bovitz, Joyce Parker

Recent Developments

- On May 12, 2015, the RTAB approved a narrowly balanced FY 16 Budget, though significant deficits are projected in future fiscal years. To balance the budget, the city increased an existing P.A. 33 levy by approximately 15 mills.
- The City Administrator has requested a new City Controller (third in six months), however; the RTAB rejected this appointment at the May meeting. The Mayor has submitted a letter of protest, disagreeing with this RTAB decision, and Treasurer Khouri met with him on June 26, 2015. Treasury is considering changes to the final EM Order as a result of that meeting.
- A second annual evaluation from the RTAB will commence in the coming months. Many of the deficiencies recognized in the first annual evaluation are expected to be noted in this evaluation as well.

Significant Actions/Issues

- The city continues to have difficulty attracting qualified candidates and filling higher level administrative positions.
- Municipal Employee's Retiree System pension contributions are anticipated to increase from \$1.8M in FY 15 to \$2.4M in FY 16 due to accelerated funding for closed plans.
- The city has been unable to balance its five-year budget. Previous budgets project deficit spending in FY 16, and exhaustion of all resources in FY 17. To avoid this eventuality, significant expense reductions will be necessary in upcoming fiscal years.

Flint

RTAB Appointed: April 29, 2015

RTAB Members: Frederick Headen, Brian Larkin, David McGhee, Beverly Walker-Griffiea, Robert McMahan

Recent Developments

- The City Council approved an amendment to the EM adopted FY 15 budget on June 29, 2015. The city ended FY 15 with an estimated \$495K General Fund balance. The RTAB will be reviewing the budget amendment at their July 15, 2015 meeting.
- The City Administrator has issued a Corrective Action Plan to the City Clerk to correct a number of operational deficiencies that resulted in the wrong election submission dates being provided to local candidates.

- Legislation has been signed that will allow candidates who submitted petitions by April 28, 2015 to have their names placed on the August Primary ballot.
- U.S. District Judge Stephen J. Murphy denied a motion for a preliminary injunction on June 23, 2015, to force the city to purchase water from the City of Detroit.
- On June 12, 2015, the Michigan Court of Appeals reversed a decision by Genesee County Circuit Judge Richard Yuille, who dismissed a claim that the city violated its own ordinances when the Emergency Manager raised water and sewer rates in 2011.
- The RTAB held its first meeting on June 11, 2015. Jodi Lundquist has assumed the position of CFO.
- As a result of a recent review, the State Tax Commission notified the city that it must maintain adequate assessment records in compliance with statute and State Tax Commission Rules, and must implement any corrective actions necessary. In addition, the city shall implement a full reassessment within a time frame agreed upon with the State Tax Commission. The city will be issuing an RFP for a reappraisal.
- The city continues to inform residents that it is in violation of the Clean Water Standards Act. Monthly testing is ongoing.
- The city is implementing Veolia recommended improvements to its water system, including water plant improvements, distribution system improvements, new policies and procedures, and better communication with customers. The city is installing a \$1.5M granulated active-charcoal filter to improve water quality. This filter installation will be completed in mid-July.
- The city hired Echologics at a cost of \$895,850 to perform a leak detection study. This project is scheduled to begin in July 2015.
- The KWA pipeline is expected to be completed in June 2016. The two pump stations are 75% complete and the intake should be completed in August 2015.

Significant Actions/Issues

- If the city loses a lawsuit over retiree healthcare, the EM's two-year budget does not assume an additional \$5M to \$6M annual expense.

Hamtramck

RTAB Appointed: December 18, 2014

RTAB Members: Deborah Roberts, Mark Stema, Cathy Square, Karen Young

Recent Developments

- The City Council adopted the FY 16 Budget on June 17, 2015. The RTAB approved the Budget on June 23, 2015. The city has also developed a long-term capital improvement plan.
- The city is undertaking a \$7M sewer infrastructure improvement project which is eligible for State Revolving Fund monies. The project will reduce storm water inflow into the sanitary sewers.

Significant Actions/Issues

- A suit was filed in federal court by Hamtramck retirees over changes to healthcare benefits made in October 2014. The potential exposure to the city is currently unknown.
- The annual pension liability is anticipated to increase from \$3.5M in FY 15 to \$4.3M by FY 19. This increase is a result of closing certain pension plans and the Michigan Employee's Retirement System (MERS) policy of accelerating the required contribution for closed plans. The increases were included in the Emergency Manager's two-year budget.

Pontiac

RTAB Appointed: August 19, 2013

RTAB Members: Edward Koryzno, Louis Schimmel, Keith Sawdon, Robert Burgess

Recent Developments

- Treasury staff met with members of the City Council on June 22, 2015 and June 23, 2015 to discuss the RTAB and transition to local control.
- On June 18, 2015 the City Council adopted the proposed FY 16 budget and 2015 tax rates. The RTAB held a special meeting on June 26, 2015 to approve the proposed FY 16 budget and 2015 tax rates.
- Initial screening of Deputy Mayor Candidates will begin in July. Treasury will participate in the selection process.
- The city lost the Supreme Court ruling on efforts to demolish the Phoenix Center. Treasury is working with the city to move forward with the sale to a private operator which frees up \$2M in demolition funds.

Significant Actions/Issues

- On May 21, 2015, the Securities and Exchange Commission (SEC) issued an Order to initiate proceedings against Gray & Company, the city's pension investment advisor. The proceedings involve Gray & Company's dealings with investments made by several Georgia pension plans in the Gray Co Alternative Fund II LP, a proprietary private equity fund. The Pension Board met with Mr. Gray to discuss the SEC proceedings, its effects on the Pontiac GERS portfolio, and how much is invested with Gray's firm. The Pension Board is reviewing options for withdrawal of pension assets from Grayson controlled funds.
- On May 20, 2015, the RTAB postponed consideration of an amendment to the city's retirement ordinance that would have granted early retirement status to 69 former employees. The amendment was adopted by City Council in April with no prior analysis or actuarial study being conducted. The best available estimates indicate an impact to the pension system of approximately \$9-\$13M per year. The ordinance amendment was sent back to committee for further review.
- The city lost a decision at the Michigan Court of Appeals which may make it liable for a \$3.5M payment to the Police and Fire VEBA. The city requested reconsideration but was denied. On May 20, 2015, the RTAB approved the city's request to appeal to the Michigan Supreme Court.
- On May 5, 2015, the city's Charter proposal was rejected by voters by a 55% to 45% margin.
- Per the city's FY 14 audit, the General Fund's accumulated fund balance is approximately \$5M out of a total budget of \$27M.
- The City of Pontiac Retired Employees Association v. City of Pontiac lawsuit (in U.S. District Court) was reassigned from Judge Lawrence P. Zatkoff to Judge Avern Cohn. The lawsuit challenges former EM Schimmel's elimination of retiree healthcare and replacement with an annual stipend. The General Employees Retirement System Pension Fund is significantly overfunded and the parties are exploring options to use the overfunded portion to fund retiree healthcare. Mediation is taking place under the supervision of Eugene Driker.

CONSENT AGREEMENT

Inkster

Date Executed: February 20, 2012

Consent Agreement Consultant: Mark Stuhldreher

Recent Developments

- The City Council approved the FY 16 budget on May 18, 2015.
- On May 14, 2015, the City Council agreed to settle the Dent lawsuit regarding police misconduct for \$1.37M. The cost of the settlement has been placed on the July tax roll by a judgement levy.
- Three Police Chief candidates were interviewed on June 11, 2015. There was a difference in opinion on the preferred candidate. Subsequently, contract negotiations with William Riley, Police Chief of Selma, Alabama are underway.
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- On June 29, 2015, an agreement was reached with Wayne County to place a judgment levy starting with the December 2015 tax roll, for five years, to repay the county \$4.9M in past due sewer charges.

Significant Actions/Issues

- On April 20, 2015, the city adopted a working capital reserve policy for the Water and Sewer Fund which will provide funds for emergency situations.

River Rouge

Date Executed: December 15, 2009

Consent Agreement Consultant: N/A (P.A. 72)

Recent Developments

- The city adopted its FY 16 budget on May 19, 2015. The budget is balanced at \$9,839,808. The city has prepared a proposed five-year budget that shows a deficit in FY 18 to FY 20 unless additional revenues can be found.

Significant Actions/Issues

- A fire union CBA was approved in March, resulting in a reduction in healthcare costs.

Royal Oak Township

Effective Date: April 21, 2014

Consent Agreement Consultant: Robert Burgess

Recent Developments

- The Township Supervisor recently provided a legal opinion from a former Township Attorney that the Township Board could legally spend the \$620K in reimbursed retirement assets received from MERS for capital improvement projects. A previous Consent Agreement Order prevented spending of these funds. The Township Board did

not request this legal opinion. Treasury is assisting the Consultant in investigating this matter.

- An Order was issued on June 17, 2015, granting the Consultant broad authority to approve expenditures made by the township and ensure that obligations are being paid. The Order also gives the Consultant authority to return the \$620K in reimbursed retirement assets to MERS.
- Treasury has requested a work plan from the Consultant on how the township's Finance and Operating Plan will be implemented over the next six months.
- A report issued by the Rehmann Group, the township's financial consultant, noted that the township must make budget adjustments of \$164,275 to its FY 15 General Fund budget to account for expenditures exceeding revenues in FY 14. The township adopted budget amendments on May 28, 2015 and implementation is pending.

Significant Actions/Issues

- Treasury learned that the Township Supervisor was regularly authorizing overtime for employees, though overtime was not included in the FY 15 budget and the Consent Agreement requires State Treasurer approval prior to overtime expenditures. An Order was issued May 20, 2015 requiring the Consultant to approve all requests for overtime prior to authorization.
- On May 11, 2015, Oakland County approved proposed ballot language for 4½ mills for the township's general operations. The current millage expires December 31, 2015. The election is scheduled for August 4, 2015.
- The City of Detroit has declined to provide police services to the township. Proposals from the cities of Ferndale and Hazel Park have been determined to be too expensive. The Michigan State Police continues to provide police services to the township in the interim.

NEUTRAL EVALUATION

Highland Park

Financial Review Team Appointed: December 2, 2013

Financial Emergency Declared: January 30, 2014

P.A. 436 Option Selected: Neutral Evaluation

Recent Developments

-
- On June 29, 2015, the City Council approved a substantial increase in water and sewer rates which will enable the city to provide funding for water and sewer operations.
 - On July 6, 2015, Wade Trim took over the operation and maintenance of the water and sewer systems.
 - Mr. Louis Schimmel was hired on June 29, 2015, to provide consulting services regarding water and sewer issues.
 - The city will issue an RFP in July to contract-out the collection of past due water and sewer bills from residential and commercial customers.
 - The DWSD Director has threatened to terminate water and sewer services if the city doesn't pay its arrearage and current charges. A Wayne County Circuit Judge issued a temporary restraining order on April 29, 2015 blocking DWSD's efforts to cut off water service to the city. The city was granted a stay on the \$20M judgement levy on June 3, 2015.

Significant Actions/Issues

- On May 18, 2015, the City Council adopted a resolution requesting MDOT to pay for storm water drainage from the highways and freeways under MDOT's jurisdiction in the city.
- On May 18, 2015, City Council approved a consultant's recommendation for an amnesty plan for residential customers to pay arrearage amounts owed to the city. The consultant has determined that if all customers take advantage of the amnesty plan, the city could collect \$2.08M. The city has extended the amnesty plan until July 31, 2015. This will allow more time for customers to pay past due accounts.
- There are concerns about the city's ability to successfully implement health insurance cost reductions as planned in FY 15.
The city's liabilities total \$99.9M. Some major components are: \$55.3M debt, including \$20.7M owed to the DWSD, and \$26.1M unfunded other post-employment benefits (OPEB).

OTHER COMMUNITIES

Wayne County

Recent Developments

- On June 10, 2015 the county reached a settlement with retirees on healthcare. The county will no longer provide health insurance but will instead provide a stipend to retirees. This will result in a savings of \$20M annually.
- On June 17, 2015 the Wayne County Executive requested a preliminary review under the Local Financial Stability and Choice Act, Public Act 436 of 2012. After notification to the county, the Department began its preliminary review of the County's finances on June 19, 2015. A final preliminary review report was issued on June 30, 2015.
- On July 1, 2015 the Local Emergency Financial Assistance Loan Board met and found that probable financial stress exists in the county.
- On July 2, 2015, a five member review team was appointed. The review team met with various county officials, commissioners, personnel, and union representatives July 9 and 10, 2015. A recommendation regarding the declaration of financial emergency will be forthcoming within seven to ten days.

Significant Actions/Issues

- The county's annual structural General Fund deficit is approximately \$52M prior to any of the proposed remedial actions.
- The county's proposed restructuring is approximately \$53M in General Fund savings, \$25M of which comes from changes to pension and healthcare benefits for active employees and healthcare benefits for retirees. The county has not yet proposed a long-term solution to its jail problems.

From: Roberts, John (GOV)
Sent: Friday, February 15, 2013 12:37 PM
To: Wisniewski, Wendy (GOV)
Subject: Fwd: COS agenda items
Attachments: COS Items 130215.docx; ATT00001.htm

FYI

Begin forwarded message:

From: "Snyder, Rick (GOV)" [REDACTED]
Date: February 15, 2013, 12:36:11 PM EST
To: "Calley, Brian (GOV)" [REDACTED], "Muchmore, Dennis (GOV)"
<muchmored@michigan.gov>, "Roberts, John (GOV)" <robertsj9@michigan.gov>, "Scott, Allison (GOV)"
<scotta12@michigan.gov>
Subject: COS agenda items

Please see the attached.

Thanks
Rick

COS Items
February 15, 2013

1.

Redacted

2. EM other

a.

b.

c. Flint Water

Redacted

3.

4.

5.

6.

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15.

16.

Redacted

From: Scott, Allison (GOV)
Sent: Tuesday, February 26, 2013 12:31 PM
To: Wisniewski, Wendy (GOV)
Subject: cos

From: Snyder, Rick (GOV)
Sent: Tuesday, February 26, 2013 12:30 PM
To: Scott, Allison (GOV)
Subject:

COS Items
February 26, 2013

1.

Redacted

2. EM other

a.

Redacted

b.

c. Flint Water

3.

4.

5.

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7.

8.

Redacted

9.

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12

13

14

15

16

Redacted

From: Scott, Allison (GOV)
Sent: Tuesday, October 27, 2015 12:09 PM
To: Wisniewski, Wendy (GOV)
Cc: Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Agen, Jarrod (GOV)
Subject: FW: COS items attached
Attachments: COS Items 151027.docx

Here is Governor's list. Fortunately for us, he is across the street meeting with the SML. Will wait for the outcome of that meeting to determine if we will be having CoS as scheduled.

From: Snyder, Rick (GOV)
Sent: Tuesday, October 27, 2015 10:48 AM
To: Scott, Allison (GOV) <scotta12@michigan.gov>
Subject: COS items attached

Please see the attached.

Thanks
Rick

COS Items
October 27, 2015

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.
- 11.
- 12.

Redacted

13. Flint Water

- 14.
- 15.
- 16.
- 17.
- 18.

Redacted

From: Workman, Wayne (TREASURY)
Sent: Friday, July 10, 2015 12:49 PM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Roberts, John (DTMB); Allard, Claire (GOV); Khouri, Nick (TREASURY); Saxton, Thomas (Treasury); Storberg, Ann Marie (TREASURY); Wisniewski, Wendy (GOV); Dempkowski, Angela (Treasury); Koryzno, Edward (Treasury); Clement, Elizabeth (GOV); Walsh, John (GOV); Redford, James (GOV); Headen, Frederick (Treasury); Stanton, Terry A. (Treasury); Sampson, Jeremy (TREASURY); Durfee, Sally (TREASURY)
Subject: Local Gov. Update - 7-10-15
Attachments: LG Update 7-10-15.docx

Attached is the periodic update on distressed local governments. If you have any questions, please call.

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: July 10, 2015
TO: Rick Snyder, Governor
FROM: Wayne Workman, Deputy State Treasurer
SUBJECT: Status of Financially Distressed Local Governments

EMERGENCY MANAGER

Lincoln Park

Emergency Manager: Brad Coulter

Appointed: July 3, 2014

Anticipated Exit: January 2016

Recent Developments

- The city ended FY 15 with an estimated \$100K General Fund Balance.
- An actuarial analysis published on May 20, 2015 shows a further decline in pension funding, down to 23%. More conservative actuarial assumptions were used in this report.
- EM Coulter has modified retiree collective bargaining agreements to reduce healthcare benefits. These changes are to be implemented in July 2015 and will reduce retiree healthcare costs from \$4.1M to \$600K annually.
- City Manager interviews have been conducted. Mathew Coppler, City Manager of Enfield, Connecticut was offered the position and accepted. Contract discussions are underway.
- The Lincoln Park Retiree Associations have filed a Notice of Claim against the State of Michigan, Treasury, and the City of Lincoln Park regarding the reduction of city retiree healthcare.

Significant Actions/Issues

- FY 14 ended with a General Fund accumulated deficit of \$736K, out of a total budget of \$21M. This is a significant increase from the FY 13 accumulated deficit of \$89K. Increases were in Public Safety - \$1.1M, Public Works - \$700K, and Culture and Recreation - \$600K.
- Voters rejected the Firefighters and Police Officers Retirement Act proposal last month by a 53% to 47% margin. Had it been approved, an additional \$3M annually would have helped fund fire/police pension and healthcare costs. EM Coulter is pursuing an alternative plan under provisions of PA 345 of 1927 to create a Board of Trustees to manage and operate the retirement system. If successful, a request for seven mills per year to fund public safety pensions will be placed on the November ballot.

Issues to Resolve before EM Exit

- Police CBAs must be finalized.

- Increase and stabilize pension funding levels.

FINANCIAL REVIEW COMMISSION (FRC)

Detroit

FRC Created: November 12, 2014

FRC Members: Nick Khouri, Bill Martin, Brenda Jones, Darrell Burks, John Roberts, Lorrion James, Mike Duggan, Stacy Fox, Tony Saunders

Recent Developments

- In reaction to the June 30, 2015 vote by Detroit City Council against increasing rates on water and sewerage costs, the Chairman of the FRC and State Treasurer, sent a letter to Detroit's Mayor and City Council on July 2, 2015. The purpose of the letter was to ask the Mayor and City Council to provide the FRC with either the necessary information to demonstrate the city's plan to comply with the approved budget for FY 16, or the basis upon which the city will seek an amendment to the FY 16 budget. If the vote is not reversed, this action will result in the Detroit Water and Sewerage Department Enterprise Fund being in a deficit position for FY 16.
- At the FRC's June 22, 2015 meeting, the city provided an update on the syndication of the city's \$275M bankruptcy exit financing. The city may elect to repay a portion of the exit refinancing before the public offering, which is expected to occur in mid-August, and will report back to the FRC at the July 27, 2015 meeting.
- The most intense work the FRC will perform going forward is measuring the effectiveness of restructuring initiatives in light of the large annual pension obligations the city will incur beginning in 2024.

Significant Action/Issues

- The first statutorily required biannual report on Detroit was filed by the Financial Review Commission (FRC) on May 28, 2015. The report detailed the FRC's activities and formal requirements since its appointment in November 2014. The FRC will file its second biannual report in December 2015.
- The city submitted its Four-Year Financial and Operating Plan (Plan) to the FRC in March. After reviewing the Plan and determining it was based on sound assumptions and met all statutory requirements, the FRC granted approval on April 20, 2015. The city's Plan encompassed the second year (FY 16) of Emergency Manager Orr's two-year budget and used this as its base year with no changes, plus three years (FY 17, FY 18, and FY 19).
- The City of Detroit Assessor's Office is currently conducting a multi-year project to reappraise all properties in Detroit, after the State Tax Commission found significant problems with property valuations. The reappraisal is scheduled to be completed in 2017.

RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB)

Allen Park

RTAB Appointed: September 26, 2014

RTAB Members: Suzanne Schafer, Joyce Parker, Fredrick Frank, Karen Barann

Recent Developments

- The City Council adopted the FY 16 Budget on May 26, 2015. It was approved by the RTAB on June 3, 2015.
- The city completed its move to a new temporary City Hall on June 8, 2015. Final inspections are scheduled for July 17, 2015.
- The city met with the police bargaining unit and is considering a one-year extension to the CBA.
- On May 15, 2015, an updated five-year budget projection from the city was received. The RTAB will be considering this item at their July 22, 2015 meeting.
- The RTAB approved the hiring of a professional search firm to assist with finding qualified City Administrator candidates. Treasury will participate in the selection process. Initial screening of applicants is expected to begin in July 2015.
- Completion of the bond tender process is projected for August 2015. The 2015 Refunding Bonds will be rated Single A, due to the city's pledge of distributable state aid.
- Standard & Poor's released its rating of the city on June 24, 2015, in anticipation of the bond tender release. The city's long-term rating for the existing bonds was downgraded with a negative outlook. The downgrading for these bonds is similar to the rating by Standard and Poor's on the City of Detroit's DWSD tender refinancing.
- A retired city employee has brought a breach of contract and age discrimination lawsuit against the city. The city's insurance policy covers only a small portion of the alleged damages.

Significant Actions/Issues

- There's a need to add one member to the RTAB to find additional Allen Park area diversity.
- In April, the RTAB approved creation of an Interim Deputy City Administrator position to oversee city operations until the bond tender and City Hall projects are complete. Mark Kibby, former City Manager of the City of Woodhaven, was appointed to this position.
- Litigation was filed by retirees challenging the EM's authority to reduce other post-employment benefit (OPEB) liabilities. A motion for summary disposition is pending. No date has been set to hear this motion.

Benton Harbor

RTAB Appointed: March 10, 2014

RTAB Members: Larry Steckelberg, Bret Witkowski, Marvin Raglon, Sharon Hunt

Recent Developments

- The City Council adopted the FY 16 budget on June 15, 2015. The RTAB approved the FY 16 budget on June 22, 2015.
- There is a vacancy on the City Commission due to the passing of Commissioner Mary Donald.
- Former Benton Harbor Public Safety Director Roger Lange has brought a Whistleblower and Elliot Larson Civil Rights case against the City of Benton Harbor and former Emergency Manager Tony Saunders. The mediation is expected to take place on July 17, 2015 with Jon March of Miller Johnson serving as the mediator.
- The Finance Director, Deputy Finance Director, several Public Safety Officers, and two Public Works Department employees have resigned due to other employment opportunities.

- The first annual evaluation from the RTAB will commence in July.

Significant Actions/Issues

- On April 6, 2015, the City Commission passed resolutions adopting a procurement policy, investment policy, and a credit card policy.
- FY 14 audited General Fund revenues exceed expenditures by \$1M, out of a total budget of \$6.1M.

Ecorse

RTAB Appointed: May 1, 2013

RTAB Members: Edward Koryzno, Robert Bovitz, Joyce Parker

Recent Developments

- On May 12, 2015, the RTAB approved a narrowly balanced FY 16 Budget, though significant deficits are projected in future fiscal years. To balance the budget, the city increased an existing P.A. 33 levy by approximately 15 mills.
- The City Administrator has requested a new City Controller (third in six months), however; the RTAB rejected this appointment at the May meeting. The Mayor has submitted a letter of protest, disagreeing with this RTAB decision, and Treasurer Khouri met with him on June 26, 2015. Treasury is considering changes to the final EM Order as a result of that meeting.
- A second annual evaluation from the RTAB will commence in the coming months. Many of the deficiencies recognized in the first annual evaluation are expected to be noted in this evaluation as well.

Significant Actions/Issues

- The city continues to have difficulty attracting qualified candidates and filling higher level administrative positions.
- Municipal Employee's Retiree System pension contributions are anticipated to increase from \$1.8M in FY 15 to \$2.4M in FY 16 due to accelerated funding for closed plans.
- The city has been unable to balance its five-year budget. Previous budgets project deficit spending in FY 16, and exhaustion of all resources in FY 17. To avoid this eventuality, significant expense reductions will be necessary in upcoming fiscal years.

Flint

RTAB Appointed: April 29, 2015

RTAB Members: Frederick Headen, Brian Larkin, David McGhee, Beverly Walker-Griffiea, Robert McMahan

Recent Developments

- The City Council approved an amendment to the EM adopted FY 15 budget on June 29, 2015. The city ended FY 15 with an estimated \$495K General Fund balance. The RTAB will be reviewing the budget amendment at their July 15, 2015 meeting.
- The City Administrator has issued a Corrective Action Plan to the City Clerk to correct a number of operational deficiencies that resulted in the wrong election submission dates being provided to local candidates.

- Legislation has been signed that will allow candidates who submitted petitions by April 28, 2015 to have their names placed on the August Primary ballot.
- U.S. District Judge Stephen J. Murphy denied a motion for a preliminary injunction on June 23, 2015, to force the city to purchase water from the City of Detroit.
- On June 12, 2015, the Michigan Court of Appeals reversed a decision by Genesee County Circuit Judge Richard Yuille, who dismissed a claim that the city violated its own ordinances when the Emergency Manager raised water and sewer rates in 2011.
- The RTAB held its first meeting on June 11, 2015. Jodi Lundquist has assumed the position of CFO.
- As a result of a recent review, the State Tax Commission notified the city that it must maintain adequate assessment records in compliance with statute and State Tax Commission Rules, and must implement any corrective actions necessary. In addition, the city shall implement a full reassessment within a time frame agreed upon with the State Tax Commission. The city will be issuing an RFP for a reappraisal.
- The city continues to inform residents that it is in violation of the Clean Water Standards Act. Monthly testing is ongoing.
- The city is implementing Veolia recommended improvements to its water system, including water plant improvements, distribution system improvements, new policies and procedures, and better communication with customers. The city is installing a \$1.5M granulated active-charcoal filter to improve water quality. This filter installation will be completed in mid-July.
- The city hired Echologics at a cost of \$895,850 to perform a leak detection study. This project is scheduled to begin in July 2015.
- The KWA pipeline is expected to be completed in June 2016. The two pump stations are 75% complete and the intake should be completed in August 2015.

Significant Actions/Issues

- If the city loses a lawsuit over retiree healthcare, the EM's two-year budget does not assume an additional \$5M to \$6M annual expense.

Hamtramck

RTAB Appointed: December 18, 2014

RTAB Members: Deborah Roberts, Mark Stema, Cathy Square, Karen Young

Recent Developments

- The City Council adopted the FY 16 Budget on June 17, 2015. The RTAB approved the Budget on June 23, 2015. The city has also developed a long-term capital improvement plan.
- The city is undertaking a \$7M sewer infrastructure improvement project which is eligible for State Revolving Fund monies. The project will reduce storm water inflow into the sanitary sewers.

Significant Actions/Issues

- A suit was filed in federal court by Hamtramck retirees over changes to healthcare benefits made in October 2014. The potential exposure to the city is currently unknown.
- The annual pension liability is anticipated to increase from \$3.5M in FY 15 to \$4.3M by FY 19. This increase is a result of closing certain pension plans and the Michigan Employee's Retirement System (MERS) policy of accelerating the required contribution for closed plans. The increases were included in the Emergency Manager's two-year budget.

Pontiac

RTAB Appointed: August 19, 2013

RTAB Members: Edward Koryzno, Louis Schimmel, Keith Sawdon, Robert Burgess

Recent Developments

- Treasury staff met with members of the City Council on June 22, 2015 and June 23, 2015 to discuss the RTAB and transition to local control.
- On June 18, 2015 the City Council adopted the proposed FY 16 budget and 2015 tax rates. The RTAB held a special meeting on June 26, 2015 to approve the proposed FY 16 budget and 2015 tax rates.
- Initial screening of Deputy Mayor Candidates will begin in July. Treasury will participate in the selection process.
- The city lost the Supreme Court ruling on efforts to demolish the Phoenix Center. Treasury is working with the city to move forward with the sale to a private operator which frees up \$2M in demolition funds.

Significant Actions/Issues

- On May 21, 2015, the Securities and Exchange Commission (SEC) issued an Order to initiate proceedings against Gray & Company, the city's pension investment advisor. The proceedings involve Gray & Company's dealings with investments made by several Georgia pension plans in the Gray Co Alternative Fund II LP, a proprietary private equity fund. The Pension Board met with Mr. Gray to discuss the SEC proceedings, its effects on the Pontiac GERS portfolio, and how much is invested with Gray's firm. The Pension Board is reviewing options for withdrawal of pension assets from Grayson controlled funds.
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- The city lost a decision at the Michigan Court of Appeals which may make it liable for a \$3.5M payment to the Police and Fire VEBA. The city requested reconsideration but was denied. On May 20, 2015, the RTAB approved the city's request to appeal to the Michigan Supreme Court.
- On May 5, 2015, the city's Charter proposal was rejected by voters by a 55% to 45% margin.
- Per the city's FY 14 audit, the General Fund's accumulated fund balance is approximately \$5M out of a total budget of \$27M.
- The City of Pontiac Retired Employees Association v. City of Pontiac lawsuit (in U.S. District Court) was reassigned from Judge Lawrence P. Zatkoff to Judge Avern Cohn. The lawsuit challenges former EM Schimmel's elimination of retiree healthcare and replacement with an annual stipend. The General Employees Retirement System Pension Fund is significantly overfunded and the parties are exploring options to use the overfunded portion to fund retiree healthcare. Mediation is taking place under the supervision of Eugene Driker.

CONSENT AGREEMENT

Inkster

Date Executed: February 20, 2012

Consent Agreement Consultant: Mark Stuhldreher

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- On May 14, 2015, the City Council agreed to settle the Dent lawsuit regarding police misconduct for \$1.37M. The cost of the settlement has been placed on the July tax roll by a judgement levy.
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- On June 29, 2015, an agreement was reached with Wayne County to place a judgment levy starting with the December 2015 tax roll, for five years, to repay the county \$4.9M in past due sewer charges.

Significant Actions/Issues

- On April 20, 2015, the city adopted a working capital reserve policy for the Water and Sewer Fund which will provide funds for emergency situations.

River Rouge

Date Executed: December 15, 2009

Consent Agreement Consultant: N/A (P.A. 72)

Recent Developments

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Significant Actions/Issues

- A fire union CBA was approved in March, resulting in a reduction in healthcare costs.

Royal Oak Township

Effective Date: April 21, 2014

Consent Agreement Consultant: Robert Burgess

Recent Developments

- The Township Supervisor recently provided a legal opinion from a former Township Attorney that the Township Board could legally spend the \$620K in reimbursed retirement assets received from MERS for capital improvement projects. A previous Consent Agreement Order prevented spending of these funds. The Township Board did

not request this legal opinion. Treasury is assisting the Consultant in investigating this matter.

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- On May 11, 2015, Oakland County approved proposed ballot language for 4½ mills for the township's general operations. The current millage expires December 31, 2015. The election is scheduled for August 4, 2015.
- The City of Detroit has declined to provide police services to the township. Proposals from the cities of Ferndale and Hazel Park have been determined to be too expensive. The Michigan State Police continues to provide police services to the township in the interim.

NEUTRAL EVALUATION

Highland Park

Financial Review Team Appointed: December 2, 2013

Financial Emergency Declared: January 30, 2014

P.A. 436 Option Selected: Neutral Evaluation

Recent Developments

-
- On June 29, 2015, the City Council approved a substantial increase in water and sewer rates which will enable the city to provide funding for water and sewer operations.
 - On July 6, 2015, Wade Trim took over the operation and maintenance of the water and sewer systems.
 - Mr. Louis Schimmel was hired on June 29, 2015, to provide consulting services regarding water and sewer issues.
 - The city will issue an RFP in July to contract-out the collection of past due water and sewer bills from residential and commercial customers.
 - The DWSD Director has threatened to terminate water and sewer services if the city doesn't pay its arrearage and current charges. A Wayne County Circuit Judge issued a temporary restraining order on April 29, 2015 blocking DWSD's efforts to cut off water service to the city. The city was granted a stay on the \$20M judgement levy on June 3, 2015.

Significant Actions/Issues

- On May 18, 2015, the City Council adopted a resolution requesting MDOT to pay for storm water drainage from the highways and freeways under MDOT's jurisdiction in the city.
- On May 18, 2015, City Council approved a consultant's recommendation for an amnesty plan for residential customers to pay arrearage amounts owed to the city. The consultant has determined that if all customers take advantage of the amnesty plan, the city could collect \$2.08M. The city has extended the amnesty plan until July 31, 2015. This will allow more time for customers to pay past due accounts.
- There are concerns about the city's ability to successfully implement health insurance cost reductions as planned in FY 15.
The city's liabilities total \$99.9M. Some major components are: \$55.3M debt, including \$20.7M owed to the DWSD, and \$26.1M unfunded other post-employment benefits (OPEB).

OTHER COMMUNITIES

Wayne County

Recent Developments

- On June 10, 2015 the county reached a settlement with retirees on healthcare. The county will no longer provide health insurance but will instead provide a stipend to retirees. This will result in a savings of \$20M annually.
- On June 17, 2015 the Wayne County Executive requested a preliminary review under the Local Financial Stability and Choice Act, Public Act 436 of 2012. After notification to the county, the Department began its preliminary review of the County's finances on June 19, 2015. A final preliminary review report was issued on June 30, 2015.
- On July 1, 2015 the Local Emergency Financial Assistance Loan Board met and found that probable financial stress exists in the county.
- On July 2, 2015, a five member review team was appointed. The review team met with various county officials, commissioners, personnel, and union representatives July 9 and 10, 2015. A recommendation regarding the declaration of financial emergency will be forthcoming within seven to ten days.

Significant Actions/Issues

- The county's annual structural General Fund deficit is approximately \$52M prior to any of the proposed remedial actions.
- The county's proposed restructuring is approximately \$53M in General Fund savings, \$25M of which comes from changes to pension and healthcare benefits for active employees and healthcare benefits for retirees. The county has not yet proposed a long-term solution to its jail problems.

From: Workman, Wayne (TREASURY)
Sent: Monday, October 05, 2015 12:16 PM
To: Snyder, Rick (GOV)
Cc: Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Scott, Allison (GOV); Khouri, Nick (TREASURY); Roberts, John (DTMB); Baird, Richard (GOV); Walsh, John (GOV); Redford, James (GOV); Khouri, Claire (GOV); Wisniewski, Wendy (GOV); Saxton, Thomas (Treasury); Koryzno, Edward (Treasury); Durfee, Sally (TREASURY)
Subject: Local Government Update
Attachments: Gov Memo Oct final.docx; 201508_436Summary.docx

This memo will serve as background for the Local Government briefing scheduled on October 8, 2015 at 9:15 am.

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: October 5, 2015

TO: Rick Snyder, Governor

FROM: Wayne Workman, Deputy State Treasurer

SUBJECT: Status of Financially Distressed Local Governments

SEPTEMBER

AUGUST

	Cities	Counties	Schools	Total	Cities	Counties	Schools	Total
Emergency Manager	1	0	3	4	1	0	3	4
Financial Review Commission	1	0	0	1	1	0	0	1
Receivership Transition Advisory Board	6	0	0	6	6	0	0	6
Consent Agreement	3	1	2	6	3	1	2	6
Neutral Evaluation	1	0	0	1	1	0	0	1

EMERGENCY MANAGER

Lincoln Park

Emergency Manager: Brad Coulter

Appointed: July 3, 2014

Anticipated Exit: January 2016

Recent Developments

- A collective bargaining agreement with the Technical and Professional Office Workers Association of Michigan was approved by the Treasurer and will be effective on November 1, 2015. The city eliminated retiree healthcare and reduced employee paid time off.
- On August 10, 2015, the Lincoln Park Retiree Associations filed suit against the State, Treasury, and the City of Lincoln Park regarding the reduction of city retiree healthcare.
- The city is contemplating a lawsuit against the pension funds' actuary for the full amount of the unfunded pension liability. The city believes that the actuary did not properly advise the city regarding long-term financial sustainability of the pension system. The city paid the required ARC each year yet the funding levels were reduced to critical levels.
- PA 345 pension system millage of six mills will be on the November 2015 ballot. This is the second time PA 345 is going before Lincoln Park voters.

- The city ended FY 15 with an estimated \$100K General Fund operating surplus. The city has a General Fund deficit from previous years. EM Coulter will be submitting a Deficit Elimination Plan to Treasury.
- Mathew Coppler, City Manager of Enfield, CT, accepted the position of City Manager, and began on September 29, 2015.

Significant Actions/Issues

- On August 11, 2015, EM Coulter submitted his four-month plan listing the priorities to be accomplished for the remainder of his term and beyond.
- EM Coulter has modified retiree collective bargaining agreements to reduce healthcare benefits. These changes were implemented in July 2015 and will reduce annual retiree healthcare costs from \$4.1M to \$600K.
- The May 2015 actuarial analysis showed pension funding at 23%.
- FY 14 ended with a General Fund accumulated deficit of \$736K, out of a total budget of \$21M. This is a significant increase from FY 13 (\$89K). Increases were in Public Safety- \$1.1M, Public Works- \$700K, and Culture and Recreation- \$600K.
- Voters rejected the Firefighters and Police Officers Retirement Act proposal by a 53% to 47% margin. Had it been approved, an additional \$3M annually would have helped fund fire/police pension and healthcare costs. EM is pursuing an alternative plan under provisions of PA 345 of 1927 to create a Board of Trustees to manage and operate the retirement system.

Issues to Resolve before EM Exit

- Increase and stabilize pension funding levels.
- Permanently eliminate structural deficit for future fiscal years.

FINANCIAL REVIEW COMMISSION (FRC)

Detroit

FRC Created: November 12, 2014

FRC Members: Nick Khouri, Bill Martin, Brenda Jones, Darrell Burks, John Roberts, Lorrion James, Mike Duggan, Stacy Fox, Tony Saunders

Recent Developments

- The city held its September consensus revenue estimating conference on September 17, 2015 and presented its report to the FRC. The estimates of major revenues are up slightly based on improvement in the FY 15 unaudited actuals. However, growth estimates remain conservative as the city wants to minimize risk in its budget. The city will formally update revenues again in February 2016 for use in its FY 17 - FY 20 four-year financial plan.
- As the city enters the testing phase for the Enterprise Resource Planning system in October 2015, the city is evaluating revisions to its project schedule and contract change orders. The city may present those changes to the FRC in October or November.
- The city is in negotiations with its bus drivers' union on a new labor contract, which will require FRC approval. When it is finalized, this will be the first collective bargaining agreement submitted to the FRC for review. The Mayor briefed the FRC in closed session at the September 28, 2015 meeting on his strategy and the details of this pending contract.

Significant Action/Issues

- The FRC filed its first statutorily required biannual report on Detroit on May 28, 2015. The report detailed the FRC's activities and formal requirements since its appointment in November 2014. The FRC will file its second biannual report in December.
- The city's four-year financial plan, approved by the FRC in April, encompassed the second year (FY 16) of Emergency Manager Orr's two-year budget and used that as its base year with no changes, plus three years (FY 17 - FY 19). The City will begin its FY 17 – FY 20 budget development process in October and November 2015. This will be the first budget since the EM's departure that the Mayor and City Council will develop and will be subject to FRC review and approval.
- At its September 28, 2015, the FRC approved its first statutorily required annual certification of the city's substantial compliance with its requirements under the Michigan Financial Review Commission Act.
- The City of Detroit Assessor's Office is currently conducting a multi-year project to reappraise all properties in Detroit, after the State Tax Commission found significant problems with property valuations. The reappraisal is scheduled to be completed in 2017.
- Beginning in January 2016, individual city income tax filers will file their Detroit city income taxes with Treasury instead of the city. Treasury plans to collect Detroit's corporate city income tax and universal withholding (pending approval of legislation) in 2017.

RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB)

Allen Park

RTAB Appointed: September 26, 2014

RTAB Members: Suzanne Schafer, Joyce Parker, Fredrick Frank, Karen Barann

Recent Developments

- On September 22, 2015, Judge Mark Boonstra of the Michigan Court of Claims, granted the state's motion to dismiss the lawsuit brought by retirees of the City of Allen Park who challenged changes made to their healthcare by former Emergency Manager, Joyce Parker. The retirees contested the ability of the EM to modify retiree healthcare under PA 72 of 1980. The judge ruled that by the time the change actually took place the EM was operating under PA 436 of 2012. The plaintiffs also attacked PA 436 of 2012 claiming it was unconstitutional. Judge Boonstra stated that the claim met none of the tests necessary to support a charge of unconstitutional vagueness.
- The City Council offered Acting Assistant City Administrator Mark Kibby the position of City Administrator at its September 22, 2015 meeting. The RTAB will consider this appointment at its October 7, 2015 meeting.
- The bond tender extension expired on October 1, 2015. \$11.21M or 42.56% of the bonds were tendered. The city has accepted all tendered bonds subject to the conditions of the invitation.
- Treasury has been informed that Joyce Parker announced her resignation from the RTAB, effective October 31, 2015. Potential replacements are being considered.
- The city will be going to arbitration with the fire union over resolution of terms that were inadvertently inserted into the signed contract from an earlier draft. These terms were not

in the Tentative Agreement signed between the city and the union but included in the final copy signed by Emergency Manager Parker, prior to her departure. The city has been trying to resolve this issue for months. Treasury continues to monitor these developments.

- The city switched to a new provider for retiree health insurance coverage on October 1, 2015, after being informed by Blue Cross that a 23% rate increase of \$644K was being levied. The RTAB approved this request and the city attorneys believes that there are no legal ramifications with retirees if coverage is changed to a new provider.

Significant Actions/Issues

- At its September meeting, the RTAB affirmed the city's approval of a new four-year collective bargaining agreement with the clerical and public works bargaining units. Treasury reviewed the tentative agreements and identified over \$40K in increased costs in Year 1.
- A retired city employee has brought a breach of contract and age discrimination lawsuit against the city. The city's insurance policy covers only a small portion of the alleged damages. The City Council approved an agreement that was achieved during court-ordered mediation. The agreement will require the city to pay \$600K (from the budgeted Contingency Fund). The RTAB approved this agreement at its September 2, 2015 meeting.
- The city received a \$1.2M Staffing for Adequate Fire and Emergency Response Grant, which will allow them to retain six firefighters over the next two years.
- Litigation was filed by retirees challenging the EM's authority to reduce other post-employment benefit (OPEB) liabilities. A motion for summary disposition is pending. No date has been set to hear this motion.

Benton Harbor

RTAB Appointed: March 10, 2014

RTAB Members: Larry Steckelberg, Bret Witkowski, Marvin Raglon, Sharon Hunt

Recent Developments

- The Assistant City Manager/Community and Economic Development Director, Marja Winters, will be stepping down in November due to family reasons. She is currently assisting the city in finding a replacement.
- Benton Harbor is hiring the MML to do an executive search for a new finance director. Treasury is assisting Benton Harbor with cost of the search.

Significant Actions/Issues

- On August 3, 2015, the City Commission adopted a resolution requesting a hearing with the Department of Treasury to discuss financial assistance for decisions made during the tenure of emergency managers that resulted in legal fees and settlement costs. Treasury will be inviting the Mayor and City Manager to meet in Lansing to discuss issues facing the city.
- The city received notification from the Department of Labor in 2014 of a wage claim filed with their department, in relation to a contract addendum to the Public Safety Collective Bargaining Agreement. City staff and legal counsel have worked with the U.S. Department of Labor to facilitate a settlement to this claim. There are two parts to the settlement: 1) correction of wages going forward; and 2) correction of back wages from the inception of the addendum. The two parts total \$19K. The City Commission

approved the settlement at its August 3, 2015 meeting. The RTAB approved the settlement on August 11, 2015.

- The first annual evaluation from the RTAB was conducted on July 29, 2015. It will be sent to the RTAB for review.
- Former Benton Harbor Public Safety Director Roger Lange brought a Whistleblower and Elliot Larson Civil Rights case against the City of Benton Harbor and former EM Tony Saunders. Mediation took place on July 17, 2015, with Jon March of Miller Johnson serving as the mediator. No settlement was reached.

Ecorse

RTAB Appointed: May 1, 2013

RTAB Members: Edward Koryzno, Robert Bovitz, Joyce Parker

Recent Developments

- Treasury has been informed that Joyce Parker announced her resignation from the RTAB, effective October 31, 2015. Potential replacements are being considered.
- The degree of State oversight may be reduced if the city can convincingly show a commitment to the cost saving measures they have proposed.
- The City's new full-time controller, Tim Sadowski has replaced the previous part-time contracted controller.
- On September 22, 2015, the City Manager reported that the new controller is revising the current budget and 5-year financial plan. It was discovered that the baseline was inaccurate, according to the City Manager. Treasury will be analyzing the budget and financial plan and discussing issues with the city. One challenge includes reducing fire service costs, which must be realized soon to keep the financial plan solvent._

Significant Actions/Issues

- The city continues to have difficulty attracting qualified candidates and filling higher level administrative positions.
- Municipal Employee's Retiree System pension contributions are anticipated to increase from \$1.8M in FY 15 to \$2.4M in FY 16 due to accelerated funding for closed plans.
- On May 12, 2015, the RTAB approved a narrowly balanced FY 16 Budget. To balance the budget, the city increased an existing P.A. 33 levy by approximately 15 mills.

Flint

RTAB Appointed: April 29, 2015

RTAB Members: Frederick Headen, Brian Larkin, David McGhee, Beverly Walker-Griffiea, Robert McMahan

Recent Developments

- On August 7, 2015, a Genesee Circuit Court lawsuit, *Shears v. Flint*, invalidated a previous 35% increase in water and sewer rates, reverting back to 2011 rates. This injunction also requires the city to repay \$15.7M from the General Fund to the Water Fund, prevents the city from collecting certain past due water bills, and from disconnecting water service for nonpayment. The City has estimated that this injunction could potentially cost the General Fund \$50M. Thus far, the city's appellate efforts have not been successful. Most recently, Judge Archie Hayman certified *Shears v. Flint* as a class action.

- As a result of Shears v. Flint decision which required the city to roll back water rates by 35%, the Finance Director on October 1, 2015 estimated that revenue has decreased by \$666K per month and projects a loss of \$6.6M for the remainder of the fiscal year. In addition for the period of August 10, 2015 thru September 2, 2015, the city has realized \$1.75M less in cash receipts as the same period last year due to a decrease in payment activity.
- Separate litigation was held that Emergency Manager Mike Brown had no statutory authority to later ratify water and sewer rate increases from May of 2012. The city filed an appeal to the Michigan Supreme Court, but the court did not address the appeal because the city missed the filing deadline by one day. The case has been remanded back to Genesee County Circuit Court to resolve some outstanding matters. Treasury is discussing the need for additional legal representation with the city.
- Concerns have been raised about the amount of lead in the city's water system after a study by Virginia Tech University suggests that the amount is much higher than standard testing shows. The city is in compliance with state and federal lead standards but will be adding a corrosion inhibitor into the treatment process to reduce the amount of lead leaching into the system. The city is also providing free and independent water quality testing to residents. Treasury is monitoring this issue closely.
- Mayor Walling has issued a letter to the State requesting \$20M in funds to assist the city in making needed capital improvements to its water system plus another \$10M to address the issue of lead leaching into the system.
- On September 11, 2015, Genesee County Circuit Court dismissed a case (*Coalition for Clean Water v City of Flint*) to force the city to purchase water from the City of Detroit.
- The RTAB approved ballot language for the renewal of the Regional Flint Mass Transportation Authority millage. The proposed renewal is for five years at the current 0.6 mills per year and will appear on the November 2015 ballot.
- The Economic and Community Development Director resigned in August 2015. Current staffing vacancies also include the Treasurer and the Human Resources Director.
- As a result of a recent review, the State Tax Commission notified the city it must maintain adequate assessment records in compliance with statutes and State Tax Commission Rules, and must implement any corrective actions necessary. In addition, the city shall implement a full reassessment within a time frame agreed upon with the State Tax Commission. The city has issued an RFP and is reviewing the proposals.
- The city has been informed they no longer need to inform residents that it is in violation of the Clean Water Standards Act. Results from the first monthly test, since the installation of the granulated active-charcoal filter, showed that the city is in compliance with the federal Drinking Water Act. The city hired Echologics at a cost of \$895,850 to perform a leak detection study. This project commenced in August 2015 and is approximately 1/3 complete.

Significant Actions/Issues

- Genesee County 911 assumed dispatch responsibilities for city police and fire on August 17, 2015. This merger was approved in 2014 and is expected to save the city \$1M per year.
- On August 12, 2015, the RTAB approved a transfer of \$323K from the Fire Department to the Police Department to hire five additional patrol officers. The city has initiated a hiring process.

- The KWA pipeline is expected to be completed in June 2016. The two pump stations are approximately 75% complete and the intake is completed.
- The city is implementing Veolia recommended improvements to its water system, including water plant improvements, distribution system improvements, new policies and procedures, and better communication with customers. The city installed a \$1.5M granulated active-charcoal filter to improve water quality. All twelve filters are installed and are in use.
- If the city loses a lawsuit over retiree healthcare, the EM's two-year budget does not assume an additional \$5M to \$6M annual expense.

Hamtramck

RTAB Appointed: December 18, 2014

RTAB Members: Deborah Roberts, Mark Stema, Cathy Square, Karen Young

Recent Developments

- The city is undertaking a \$6M sewer infrastructure improvement project which is eligible for State Revolving Fund monies. The project will reduce storm water inflow into sanitary sewers. Certain rehabilitation elements of the project will commence on October 15, 2015 and conclude in spring 2016. The sewer relief portion will begin in December 2015 and will be completed next summer.
- The city is pursuing a third party police study which will help administrators review options for reducing costs and providing more efficient service.
- The contractor Tyler Technologies is reassessing all residential and commercial properties.

Significant Actions/Issues

- The City Council adopted the FY 16 Budget on June 17, 2015. The RTAB approved this action on June 23, 2015. The city has also developed a long-term capital improvements plan.
- A suit was filed in federal court by Hamtramck retirees over changes to healthcare benefits made in October 2014. The potential exposure to the city is currently unknown.
- The annual pension liability is anticipated to increase from \$3.5M in FY 15 to \$4.3M by FY 19. This increase is a result of closing certain pension plans and the Michigan Employee's Retirement System (MERS) policy of accelerating the required contribution for closed plans. The increases were included in the EM's two-year budget.

Pontiac

RTAB Appointed: August 19, 2013

RTAB Members: Edward Koryzno, Louis Schimmel, Keith Sawdon, Robert Burgess

Recent Developments

- On September 14, 2015, the City Council approved Jane Bais-DiSessa for the position of Deputy Mayor. The RTAB approved this appointment on September 16, 2015.
- On July 6, 2016, Oakland County Circuit Court Judge Michael Warren dismissed the lawsuit filed by the city against Ottawa Towers LLC/ Phoenix Center. Treasury is working with the city to move forward with the sale to a private operator which could free up \$2M in demolition funds.

Significant Actions/Issues

- On August 19, 2015, the RTAB approved filling the positions of Customer Service Representative and Community Relations Specialist. These positions will assist the Mayor with community and economic development activities.
- Per the city's FY 14 audit, the General Fund accumulated fund balance is approximately \$5M out of a total budget of \$27M.
- The city lost a decision at the Michigan Court of Appeals which may make it liable for a \$3.5M payment to the Police and Fire VEBA. The city requested reconsideration but was denied. In May, the RTAB approved the city's request to appeal to the MI Supreme Court.
- The City of Pontiac Retired Employees Association v. City of Pontiac lawsuit (in U.S. District Court) was reassigned from Judge Lawrence P. Zatkoff to Judge Avern Cohn. The lawsuit challenges former EM Schimmel's elimination of retiree healthcare and replacement with an annual stipend. The General Employees Retirement System Pension Fund is significantly overfunded and the parties are exploring options to use the overfunded portion to fund retiree healthcare. Mediation is taking place under the supervision of Eugene Driker.

CONSENT AGREEMENT

Inkster

Date Executed: February 20, 2012

Consent Agreement Consultant: Mark Stuhldreher

Recent Developments

- On June 29, 2015, a tentative agreement was reached with Wayne County to place a judgment levy on the tax rolls. The levy would run for five years and repay the county \$4.9M in past due sewer charges. The city is in discussions with Wayne County to postpone the levy until July 2016.
- On August 18, 2015, the Michigan Court of Appeals ruled (Trahey v City of Inkster) that the trial court erred in determining the city's 2012 water and sewer rates were unreasonable and ordering the city to issue \$2.55M in credits to residents for reduced water and sewer rates. The city is evaluating this decision.
- The city is collaborating with MSHDA and MEDC to seek new housing developments and development of several vacant commercial parcels. Inkster Police and the city will be utilizing an accumulation of training dollars to train police personnel and staff going forward.

Significant Actions/Issues

- On May 18, 2015, City Council approved the FY 16 Budget.
- On August 3, 2015, the City Council voted to change the employment status of City Manager, Richard Marsh to Special Advisor to the city. The City Council named City Treasurer, Mark Stuhldreher to the position of Interim City Manager. A search firm will conduct a national search to fill the City Manager's position.
- On April 20, 2015, the city adopted a working capital reserve policy for the Water and Sewer Fund which will provide funds for emergency situations.
On June 29, 2015, an Order was issued requiring the City Treasurer to approve all employment matters with city officials and employees, expenditure of funds, and all contracts.

- William Riley is Inkster's new Police Chief. Mr. Riley's start date was August 10, 2015. The new chief has been reaching out to community groups and the neighborhoods, and is fully engaged.

River Rouge

Date Executed: December 15, 2009

Consent Agreement Consultant: N/A (P.A. 72)

Significant Actions/Issues

- A fire union collective bargaining agreement was approved in March, resulting in a reduction in healthcare costs.
- The city adopted its FY 16 Budget on May 19, 2015. The budget is balanced and has a beginning fund balance of \$1,967,613. The city has prepared a proposed five-year budget that shows a deficit in FY 18 to FY 20 unless additional revenues can be found.

Royal Oak Township

Effective Date: April 21, 2014

Consent Agreement Consultant: Robert Burgess

Recent Developments

- The Township Board voted to extend the Consent Agreement Consultant's contract through March 31, 2016.
- The Consent Agreement Consultant, Treasury, and the Michigan State Police met with Oak Park City Manager on September 21, 2015 to discuss the city providing police services to the township.
- A six-month plan has been developed by Consent Agreement Consultant Robert Burgess, listing the priorities for the next several months. Treasury has been offering assistance to the consultant in implementing the plan's priorities.

Significant Actions/Issues

- On August 4, 2015, voters approved a renewal of 4.5 mills for general operations.
- On June 17, 2015, an Order was issued granting the Consultant broad authority to approve expenditures made by the township and ensure that obligations are being paid. The Order also gives the Consultant authority to invest the \$620K in reimbursed retirement assets with MERS.
- The Michigan State Police continues to provide police services to the township.
- The township audit was completed. Auditors recommend the township submit a Deficit Elimination Plan for 2014, select a firm to advise the township on financial matters, and perform an inventory of assets.

- Treasury learned that the Township Supervisor was regularly authorizing overtime for employees, though overtime was not included in the FY 15 Budget and the Consent Agreement requires State Treasurer approval prior to overtime expenditures. On May 20, 2015, an Order was issued requiring the Consultant to approve all requests for overtime prior to authorization.

Wayne County

Recent

- On September 15, 2015, the County Deputy Chief Financial Officer submitted a cash flow forecast as required by the Consent Agreement. It is under review by Treasury staff.
- AFSCME Council 25 attempts to block any changes to the terms and conditions of employment has failed at the state courts. On September 15, 2015, AFSCME filed a Motion for a Temporary Restraining Order to prevent changes to the terms and conditions of employment in Federal Court but it has not yet been granted. The County has filed a request with the United States District Court to deny the Temporary Restraining Order and to dismiss the lawsuit. No decision has been made.

Significant Actions/Issues

- On August 21, 2015, the County Board approved the Consent Agreement negotiated between the County Executive and State Treasurer.
- On June 10, 2015, the county reached a settlement with retirees on healthcare. The county will no longer provide health insurance but will instead provide a stipend to retirees. This will result in a savings of \$20M annually.
- The county's annual structural General Fund deficit is approximately \$52M prior to any of the proposed remedial actions.
- The county's proposed restructuring is approximately \$53M in General Fund savings, \$25M of which comes from changes to pension and healthcare benefits for active employees and healthcare benefits for retirees.
- The county has not yet proposed a long-term solution to its jail problems.

NEUTRAL EVALUATION

Highland Park

Financial Review Team Appointed: December 2, 2013

Financial Emergency Declared: January 30, 2014

P.A. 436 Option Selected: Neutral Evaluation

Recent Developments

- On August 11, 2015, a report was issued by Meadowbrook Insurance on the progress of reducing the city's healthcare costs. When successfully implemented after October 1, 2015, the \$1.4M annual cost of healthcare could be reduced to \$630K.
- On August 24, 2015, City Council gave conditional approval to the settlement agreement between the city and DWSD over past due water and sewer bills. However, the city is waiting for a response from DWSD on other issues.
- The second phase of emergency loans is under discussion. It would consist of approximately \$4.7M to restructure the city's three outstanding emergency loans and \$11.5M to refinance outstanding debt.

- The city has purchased the first quantity of water meters at a cost of \$343K. Meter installation is underway.
- Wade Trim, the firm hired by Highland Park to manage the water and sewer operations, processed the first regular water and sewer bills to customers on August 13, 2015.

Significant Actions/Issues

- On June 29, 2015, City Council approved a substantial increase in water and sewer rates which will allow the city to fund water and sewer operations.
- On July 6, 2015, Wade Trim began duties to operate and maintain the water and sewer systems.
- Louis Schimmel was hired on June 29, 2015, to provide consulting services regarding water and sewer issues.
- On July 31, 2015, the water and sewer amnesty program expired. City Administrator Cathy Square stated the city will work with customers to settle their past due accounts.
- On May 18, 2015, the City Council approved a resolution requesting MDOT to pay for storm water drainage from the highways and freeways under state jurisdiction in the city. The City Administrator has indicated that the city has filed suit against both MDOT and Wayne County over storm water.
- On May 18, 2015, City Council approved a consultant's recommendation for an amnesty plan for residential customers to pay arrearage amounts owed to the city. The consultant has determined that if all customers take advantage of the amnesty plan, the city could collect \$2.08M. The city extended the amnesty plan until July 31, 2015 to allow more time for customers to pay past due accounts.
- The city's liabilities total \$99.9M. Some major components are: \$55.3M debt, including \$20.7M owed to the DWSD, and \$26.1M unfunded other post-employment benefits (OPEB).

EMERGENCY MANAGER - MUNICIPALITIES				
Unit of Government	Current Emergency Manager	Initial Appointment Date	Target Exit Date	Notes
City of Lincoln Park	Brad Coulter	July 3, 2014	January 2016	FY 15 ended with an estimated \$100K general fund operating surplus. Will submit DEP. Actuarial analysis published on 5/20/15 shows further decline in pension funding down 23%. Mathew Coppler, City Manager of Enfield, Connecticut accepted position of City Manager.
FINANCIAL REVIEW COMMISSION (FRC) – MUNICIPALITIES				
Unit of Government	Board Members	Appointment Date	Target Exit Date	
City of Detroit	Nick Khouri, John Roberts, Bill Martin, Mike Duggan, Brenda Jones, Darrell Burks, Lorrion James, Stacy Fox, Tony Saunders	November 12, 2014	NA	City held its bi-annual revenue estimating conference on 9/17/15 and submitted report to FRC on 9/28/15. Mayor Duggan briefed the FRC on 9/28/15 in closed session on his strategy and details of the pending collective bargaining agreement with the city's bus drivers.
RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB) - MUNICIPALITIES				
Unit of Government	Board Members	Appointment Date	Target Exit Date	Notes
City of Allen Park	Suzanne Schafer, Joyce Parker, Fredrick Frank, Karen Barann	September 26, 2014	NA	4-year CBA with police approved by Council and the RTAB despite concerns in increased costs. (RTAB vote was 2-1 to approve). RTAB approved 5-year financial plan on 5/15/15. Bond Tender extension expired on 10/1/15. \$11.21M of bonds were tendered.
City of Benton Harbor	Larry Steckelberg, Bret Witkowski, Marvin Raglon, Sharon Hunt	March 10, 2014	NA	Commission requested a hearing to discuss financial assistance re EM decisions made that resulted in legal fees and settlement costs. Former Public Safety Director brought Whistleblower and Elliot Larson Civil Rights case against the city. Mediation took place on 7/17/15, no settlement reached.
City of Ecorse	Edward Koryzno, Robert Bovitz, Joyce Parker	May 1, 2013	NA	Balanced 5-year financial plan completed. Difficult changes must be realized to comply. RTAB approved balanced FY 16 Budget on 5/12/15.

Public Act 436 of 2012 Summary

MUNICIPALITIES

City of Flint	Frederick Headen, Brian Larkin, David McGhee, Beverly Walker-Griffa, Robert McMahan	April 29, 2015	NA	As a result of lawsuit decision, city estimates that revenue will decrease by \$666K per month and projects a lost \$6.6M for remainder of the fiscal year. The injunction requires city to repay \$15.7M from the General Fund to the Water Fund. KWA pipeline expected to be completed in June 2016.
City of Hamtramck	Deb Roberts, Mark Stema, Karen Young, Cathy Square	December 1, 2015	NA	Undertaking a \$6M sewer infrastructure improvement project which is eligible for State Revolving Fund Monies. Project will reduce storm water inflow into sanitary sewers.
City of Pontiac	Edward Koryzno, Louis Schimmel, Keith Sawdon Robert Burgess	August 19, 2013	NA	On 9/16/15, City Council approved Deputy Mayor hire. City lost Supreme Court ruling to demolish Phoenix Center. Treasury working with city to move forward with sale to private operator which frees up \$2M in demolition funds. FY 16 Budget and 2015 tax rates approved by RTAB on 6/26/15.
CONSENT AGREEMENT - MUNICIPLITIES				
Unit of Government	Treasury Representative/Consultant	Date Executed	Term of Consent Agreement	Notes
City of Inkster	Mark Stuhldreher, Interim City Manager and City Treasurer/Finance Director	February 20, 2012	N/A	On 8/3/15, City Council voted to change the employment status of the City Manager to Special Advisor. Mark Stuhldreher appointed interim City Manager. Tentative agreement w/ Wayne County for judgement levy on tax rolls. Levy to run for 5 years and repay county \$4.9M in past due sewer charges. Collaborating with MSHDA and MEDC to seek new housing developments and development of several vacant commercial parcels.
City of River Rouge	N/A (P.A. 72)	December 15, 2009	N/A	FY 16 Budget adopted on 5/19/15. Proposed 5-yr budget shows a deficit in FY 18 to FY 20 unless additional revenues can be found.
Royal Oak Township	Robert Burgess	April 21, 2014	October 31, 2017	On 8/3/15, voters approved a renewal of 4.5 mills for general operations. Order issued on 6/17/15 granting the Consultant broad authority to approve expenditures made by the township to ensure obligations are being paid.
Wayne County				On 9/15/15, AFSCME filed motion for temporary restraining order to prevent changes to terms and conditions of employment in Federal Court. County filed request with US District Court to deny the temporary restraining order and dismiss lawsuit. No decision has been made.

				On 6/10/15, county reached settlement with retirees on healthcare to provide stipend in lieu of health insurance.
NEUTRAL EVALUATION - MUNICIPALITIES				
Unit of Government	Financial Review Team Appointed	Financial Emergency Declared	Date Option Selected	Notes
City of Highland Park	December 2, 2013	January 30, 2014	May 1, 2014	Wade Trim began operating and maintaining water and sewer systems on 7/6/15. 2 nd phase of emergency loans tentative for 9/24/15 – \$4.7M to restructure 3 outstanding loans and \$11.5M to refinance outstanding debt. On 6/29/15, Council approved substantial increase in water/sewer rates.
OTHER COMMUNITIES - MUNICIPALITIES				
City of Melvindale * City of Wayne *				
EMERGENCY MANAGER - SCHOOLS				
Unit of Government	Emergency Manager	Appointment Date	Target Exit Date	Notes
Detroit Public Schools	Darnell Earley	January 13, 2015	April 2016	Sodexo expected to petition for judgment levy for unpaid balance of \$26M. Hired a Deputy Superintendent of Finance and Operations. Continues to work on long-term strategy with E&Y/ Parthenon. Weekly meetings to monitor critical cash, shortfall of approximately \$78M for FY16. ORS delinquencies growing to approximately \$95.7M; reached agreement at \$750k per month and submit a plan to resolve balance due by October 2016. Pupil count projected to decline by 848 from 47,098 in FY 14-15 to 46,250 in FY 15-16.
Highland Park School District	Donald Weatherspoon	April 15, 2015	October 2016	Beginning in September 2015, DPS provides for educational services for grades 9-12. Renewal of non-homestead millage is scheduled for November 2015. Pupil count projected to decline by 40 students from 580 in 2014-15 to 540 in 2015-16.
Muskegon Heights School District	Steven Schiller	April 15, 2015	October 2016	Completed transition from Mosaica to ISD. ORS payments continue to go only towards interest payments, leaving the principal amount due

				untouched. Pupil enrollment projected to decline by 80 from 902 in 2014-15 to 822 in 2015-2016.
CONSENT AGREEMENT - SCHOOLS				
Unit of Government	Consultant	Appointment Date	Target Exit Date	Notes
School District of City of Pontiac	Donald Weatherspoon	October 15, 2013	September 2015	District expects to place before voters in March 2016 non-homestead millage, the same date as the Republican Presidential Primary. District expects to place before voters in May 2016 a 2.87 mill, 5-year sinking fund ballot measure. In August, a similar measure failed by less than 120 votes. Pupil count projected to decline by 14 from 4,329 in 2014-15 to 4,315 in 2015-16.
Benton Harbor Schools	Cynthia M. LaGrow	November 18, 2014	November 2016	Hired new CFO. Formally dismissed suspended superintendent and entered into a settlement agreement. Pupil count projected to decline of 101 from 2,428 in 2014-15 to 2,327 in 2015-16. Transitioned from Plante Moran to Berrien RESA for essential office admin support.
SCHOOLS WATCH LIST				
With the passage of 2015 PAs 109-111, Treasury is expected to have authority over the following deficit districts. * Flint * Hazel Park * Westwood * Mt. Clemens * Bridgeport Spaulding * Clintondale * New Haven * Vanderbilt * Southgate *				

From: Wisniewski, Wendy (GOV)
Sent: Monday, October 05, 2015 3:24 PM
To: Agen, Jarrod (GOV)
Subject: FW: Local Government Update
Attachments: Gov Memo Oct final.docx; 201508_436Summary.docx

From: Workman, Wayne (TREASURY)
Sent: Monday, October 05, 2015 12:16 PM
To: Snyder, Rick (GOV) [REDACTED]
Cc: Muchmore, Dennis (GOV) <muchmored@michigan.gov>; Clement, Elizabeth (GOV) <clemente@michigan.gov>; Scott, Allison (GOV) <scottal12@michigan.gov>; Khouri, Nick (TREASURY) <KhouriN@michigan.gov>; Roberts, John (DTMB) <RobertsJ9@michigan.gov>; Baird, Richard (GOV) <bairdr@michigan.gov>; Walsh, John (GOV) <WalshJ@michigan.gov>; Redford, James (GOV) <RedfordJ@michigan.gov>; Khouri, Claire (GOV) <KhouriC@michigan.gov>; Wisniewski, Wendy (GOV) <wisniewskiW@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Koryzno, Edward (Treasury) <KoryznoE@michigan.gov>; Durfee, Sally (TREASURY) <DurfeeS1@michigan.gov>
Subject: Local Government Update

This memo will serve as background for the Local Government briefing scheduled on October 8, 2015 at 9:15 am.

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: October 5, 2015

TO: Rick Snyder, Governor

FROM: Wayne Workman, Deputy State Treasurer

SUBJECT: Status of Financially Distressed Local Governments

SEPTEMBER

AUGUST

	Cities	Counties	Schools	Total	Cities	Counties	Schools	Total
Emergency Manager	1	0	3	4	1	0	3	4
Financial Review Commission	1	0	0	1	1	0	0	1
Receivership Transition Advisory Board	6	0	0	6	6	0	0	6
Consent Agreement	3	1	2	6	3	1	2	6
Neutral Evaluation	1	0	0	1	1	0	0	1

EMERGENCY MANAGER

Lincoln Park

Emergency Manager: Brad Coulter
Appointed: July 3, 2014
Anticipated Exit: January 2016

Recent Developments

- A collective bargaining agreement with the Technical and Professional Office Workers Association of Michigan was approved by the Treasurer and will be effective on November 1, 2015. The city eliminated retiree healthcare and reduced employee paid time off.
- On August 10, 2015, the Lincoln Park Retiree Associations filed suit against the State, Treasury, and the City of Lincoln Park regarding the reduction of city retiree healthcare.
- The city is contemplating a lawsuit against the pension funds' actuary for the full amount of the unfunded pension liability. The city believes that the actuary did not properly advise the city regarding long-term financial sustainability of the pension system. The city paid the required ARC each year yet the funding levels were reduced to critical levels.
- PA 345 pension system millage of six mills will be on the November 2015 ballot. This is the second time PA 345 is going before Lincoln Park voters.

- The city ended FY 15 with an estimated \$100K General Fund operating surplus. The city has a General Fund deficit from previous years. EM Coulter will be submitting a Deficit Elimination Plan to Treasury.
- Mathew Coppler, City Manager of Enfield, CT, accepted the position of City Manager, and began on September 29, 2015.

Significant Actions/Issues

- On August 11, 2015, EM Coulter submitted his four-month plan listing the priorities to be accomplished for the remainder of his term and beyond.
- EM Coulter has modified retiree collective bargaining agreements to reduce healthcare benefits. These changes were implemented in July 2015 and will reduce annual retiree healthcare costs from \$4.1M to \$600K.
- The May 2015 actuarial analysis showed pension funding at 23%.
- FY 14 ended with a General Fund accumulated deficit of \$736K, out of a total budget of \$21M. This is a significant increase from FY 13 (\$89K). Increases were in Public Safety- \$1.1M, Public Works- \$700K, and Culture and Recreation- \$600K.
- Voters rejected the Firefighters and Police Officers Retirement Act proposal by a 53% to 47% margin. Had it been approved, an additional \$3M annually would have helped fund fire/police pension and healthcare costs. EM is pursuing an alternative plan under provisions of PA 345 of 1927 to create a Board of Trustees to manage and operate the retirement system.

Issues to Resolve before EM Exit

- Increase and stabilize pension funding levels.
- Permanently eliminate structural deficit for future fiscal years.

FINANCIAL REVIEW COMMISSION (FRC)

Detroit

FRC Created: November 12, 2014

FRC Members: Nick Khouri, Bill Martin, Brenda Jones, Darrell Burks, John Roberts, Lorrion James, Mike Duggan, Stacy Fox, Tony Saunders

Recent Developments

- The city held its September consensus revenue estimating conference on September 17, 2015 and presented its report to the FRC. The estimates of major revenues are up slightly based on improvement in the FY 15 unaudited actuals. However, growth estimates remain conservative as the city wants to minimize risk in its budget. The city will formally update revenues again in February 2016 for use in its FY 17 - FY 20 four-year financial plan.
- As the city enters the testing phase for the Enterprise Resource Planning system in October 2015, the city is evaluating revisions to its project schedule and contract change orders. The city may present those changes to the FRC in October or November.
- The city is in negotiations with its bus drivers' union on a new labor contract, which will require FRC approval. When it is finalized, this will be the first collective bargaining agreement submitted to the FRC for review. The Mayor briefed the FRC in closed session at the September 28, 2015 meeting on his strategy and the details of this pending contract.

Significant Action/Issues

- The FRC filed its first statutorily required biannual report on Detroit on May 28, 2015. The report detailed the FRC's activities and formal requirements since its appointment in November 2014. The FRC will file its second biannual report in December.
- The city's four-year financial plan, approved by the FRC in April, encompassed the second year (FY 16) of Emergency Manager Orr's two-year budget and used that as its base year with no changes, plus three years (FY 17 - FY 19). The City will begin its FY 17 – FY 20 budget development process in October and November 2015. This will be the first budget since the EM's departure that the Mayor and City Council will develop and will be subject to FRC review and approval.
- At its September 28, 2015, the FRC approved its first statutorily required annual certification of the city's substantial compliance with its requirements under the Michigan Financial Review Commission Act.
- The City of Detroit Assessor's Office is currently conducting a multi-year project to reappraise all properties in Detroit, after the State Tax Commission found significant problems with property valuations. The reappraisal is scheduled to be completed in 2017.
- Beginning in January 2016, individual city income tax filers will file their Detroit city income taxes with Treasury instead of the city. Treasury plans to collect Detroit's corporate city income tax and universal withholding (pending approval of legislation) in 2017.

RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB)

Allen Park

RTAB Appointed: September 26, 2014

RTAB Members: Suzanne Schafer, Joyce Parker, Fredrick Frank, Karen Barann

Recent Developments

- On September 22, 2015, Judge Mark Boonstra of the Michigan Court of Claims, granted the state's motion to dismiss the lawsuit brought by retirees of the City of Allen Park who challenged changes made to their healthcare by former Emergency Manager, Joyce Parker. The retirees contested the ability of the EM to modify retiree healthcare under PA 72 of 1980. The judge ruled that by the time the change actually took place the EM was operating under PA 436 of 2012. The plaintiffs also attacked PA 436 of 2012 claiming it was unconstitutional. Judge Boonstra stated that the claim met none of the tests necessary to support a charge of unconstitutional vagueness.
- The City Council offered Acting Assistant City Administrator Mark Kibby the position of City Administrator at its September 22, 2015 meeting. The RTAB will consider this appointment at its October 7, 2015 meeting.
- The bond tender extension expired on October 1, 2015. \$11.21M or 42.56% of the bonds were tendered. The city has accepted all tendered bonds subject to the conditions of the invitation.
- Treasury has been informed that Joyce Parker announced her resignation from the RTAB, effective October 31, 2015. Potential replacements are being considered.
- The city will be going to arbitration with the fire union over resolution of terms that were inadvertently inserted into the signed contract from an earlier draft. These terms were not

in the Tentative Agreement signed between the city and the union but included in the final copy signed by Emergency Manager Parker, prior to her departure. The city has been trying to resolve this issue for months. Treasury continues to monitor these developments.

- The city switched to a new provider for retiree health insurance coverage on October 1, 2015, after being informed by Blue Cross that a 23% rate increase of \$644K was being levied. The RTAB approved this request and the city attorneys believes that there are no legal ramifications with retirees if coverage is changed to a new provider.

Significant Actions/Issues

- At its September meeting, the RTAB affirmed the city's approval of a new four-year collective bargaining agreement with the clerical and public works bargaining units. Treasury reviewed the tentative agreements and identified over \$40K in increased costs in Year 1.
- A retired city employee has brought a breach of contract and age discrimination lawsuit against the city. The city's insurance policy covers only a small portion of the alleged damages. The City Council approved an agreement that was achieved during court-ordered mediation. The agreement will require the city to pay \$600K (from the budgeted Contingency Fund). The RTAB approved this agreement at its September 2, 2015 meeting.
- The city received a \$1.2M Staffing for Adequate Fire and Emergency Response Grant, which will allow them to retain six firefighters over the next two years.
- Litigation was filed by retirees challenging the EM's authority to reduce other post-employment benefit (OPEB) liabilities. A motion for summary disposition is pending. No date has been set to hear this motion.

Benton Harbor

RTAB Appointed: March 10, 2014

RTAB Members: Larry Steckelberg, Bret Witkowski, Marvin Raglon, Sharon Hunt

Recent Developments

- The Assistant City Manager/Community and Economic Development Director, Marja Winters, will be stepping down in November due to family reasons. She is currently assisting the city in finding a replacement.
- Benton Harbor is hiring the MML to do an executive search for a new finance director. Treasury is assisting Benton Harbor with cost of the search.

Significant Actions/Issues

- On August 3, 2015, the City Commission adopted a resolution requesting a hearing with the Department of Treasury to discuss financial assistance for decisions made during the tenure of emergency managers that resulted in legal fees and settlement costs. Treasury will be inviting the Mayor and City Manager to meet in Lansing to discuss issues facing the city.
- The city received notification from the Department of Labor in 2014 of a wage claim filed with their department, in relation to a contract addendum to the Public Safety Collective Bargaining Agreement. City staff and legal counsel have worked with the U.S. Department of Labor to facilitate a settlement to this claim. There are two parts to the settlement: 1) correction of wages going forward; and 2) correction of back wages from the inception of the addendum. The two parts total \$19K. The City Commission

approved the settlement at its August 3, 2015 meeting. The RTAB approved the settlement on August 11, 2015.

- The first annual evaluation from the RTAB was conducted on July 29, 2015. It will be sent to the RTAB for review.
- Former Benton Harbor Public Safety Director Roger Lange brought a Whistleblower and Elliot Larson Civil Rights case against the City of Benton Harbor and former EM Tony Saunders. Mediation took place on July 17, 2015, with Jon March of Miller Johnson serving as the mediator. No settlement was reached.

Ecorse

RTAB Appointed: May 1, 2013

RTAB Members: Edward Koryzno, Robert Bovitz, Joyce Parker

Recent Developments

- Treasury has been informed that Joyce Parker announced her resignation from the RTAB, effective October 31, 2015. Potential replacements are being considered.
- The degree of State oversight may be reduced if the city can convincingly show a commitment to the cost saving measures they have proposed.
- The City's new full-time controller, Tim Sadowski has replaced the previous part-time contracted controller.
- On September 22, 2015, the City Manager reported that the new controller is revising the current budget and 5-year financial plan. It was discovered that the baseline was inaccurate, according to the City Manager. Treasury will be analyzing the budget and financial plan and discussing issues with the city. One challenge includes reducing fire service costs, which must be realized soon to keep the financial plan solvent._

Significant Actions/Issues

- The city continues to have difficulty attracting qualified candidates and filling higher level administrative positions.
- Municipal Employee's Retiree System pension contributions are anticipated to increase from \$1.8M in FY 15 to \$2.4M in FY 16 due to accelerated funding for closed plans.
- On May 12, 2015, the RTAB approved a narrowly balanced FY 16 Budget. To balance the budget, the city increased an existing P.A. 33 levy by approximately 15 mills.

Flint

RTAB Appointed: April 29, 2015

RTAB Members: Frederick Headen, Brian Larkin, David McGhee, Beverly Walker-Griffiea, Robert McMahan

Recent Developments

- On August 7, 2015, a Genesee Circuit Court lawsuit, *Shears v. Flint*, invalidated a previous 35% increase in water and sewer rates, reverting back to 2011 rates. This injunction also requires the city to repay \$15.7M from the General Fund to the Water Fund, prevents the city from collecting certain past due water bills, and from disconnecting water service for nonpayment. The City has estimated that this injunction could potentially cost the General Fund \$50M. Thus far, the city's appellate efforts have not been successful. Most recently, Judge Archie Hayman certified *Shears v. Flint* as a class action.

- As a result of Shears v. Flint decision which required the city to roll back water rates by 35%, the Finance Director on October 1, 2015 estimated that revenue has decreased by \$666K per month and projects a loss of \$6.6M for the remainder of the fiscal year. In addition for the period of August 10, 2015 thru September 2, 2015, the city has realized \$1.75M less in cash receipts as the same period last year due to a decrease in payment activity.
- Separate litigation was held that Emergency Manager Mike Brown had no statutory authority to later ratify water and sewer rate increases from May of 2012. The city filed an appeal to the Michigan Supreme Court, but the court did not address the appeal because the city missed the filing deadline by one day. The case has been remanded back to Genesee County Circuit Court to resolve some outstanding matters. Treasury is discussing the need for additional legal representation with the city.
- Concerns have been raised about the amount of lead in the city's water system after a study by Virginia Tech University suggests that the amount is much higher than standard testing shows. The city is in compliance with state and federal lead standards but will be adding a corrosion inhibitor into the treatment process to reduce the amount of lead leaching into the system. The city is also providing free and independent water quality testing to residents. Treasury is monitoring this issue closely.
- Mayor Walling has issued a letter to the State requesting \$20M in funds to assist the city in making needed capital improvements to its water system plus another \$10M to address the issue of lead leaching into the system.
- On September 11, 2015, Genesee County Circuit Court dismissed a case (*Coalition for Clean Water v City of Flint*) to force the city to purchase water from the City of Detroit.
- The RTAB approved ballot language for the renewal of the Regional Flint Mass Transportation Authority millage. The proposed renewal is for five years at the current 0.6 mills per year and will appear on the November 2015 ballot.
- The Economic and Community Development Director resigned in August 2015. Current staffing vacancies also include the Treasurer and the Human Resources Director.
- As a result of a recent review, the State Tax Commission notified the city it must maintain adequate assessment records in compliance with statutes and State Tax Commission Rules, and must implement any corrective actions necessary. In addition, the city shall implement a full reassessment within a time frame agreed upon with the State Tax Commission. The city has issued an RFP and is reviewing the proposals.
- The city has been informed they no longer need to inform residents that it is in violation of the Clean Water Standards Act. Results from the first monthly test, since the installation of the granulated active-charcoal filter, showed that the city is in compliance with the federal Drinking Water Act. The city hired Echologics at a cost of \$895,850 to perform a leak detection study. This project commenced in August 2015 and is approximately 1/3 complete.

Significant Actions/Issues

- Genesee County 911 assumed dispatch responsibilities for city police and fire on August 17, 2015. This merger was approved in 2014 and is expected to save the city \$1M per year.
- On August 12, 2015, the RTAB approved a transfer of \$323K from the Fire Department to the Police Department to hire five additional patrol officers. The city has initiated a hiring process.

- The KWA pipeline is expected to be completed in June 2016. The two pump stations are approximately 75% complete and the intake is completed.
- The city is implementing Veolia recommended improvements to its water system, including water plant improvements, distribution system improvements, new policies and procedures, and better communication with customers. The city installed a \$1.5M granulated active-charcoal filter to improve water quality. All twelve filters are installed and are in use.
- If the city loses a lawsuit over retiree healthcare, the EM's two-year budget does not assume an additional \$5M to \$6M annual expense.

Hamtramck

RTAB Appointed: December 18, 2014

RTAB Members: Deborah Roberts, Mark Stema, Cathy Square, Karen Young

Recent Developments

- The city is undertaking a \$6M sewer infrastructure improvement project which is eligible for State Revolving Fund monies. The project will reduce storm water inflow into sanitary sewers. Certain rehabilitation elements of the project will commence on October 15, 2015 and conclude in spring 2016. The sewer relief portion will begin in December 2015 and will be completed next summer.
- The city is pursuing a third party police study which will help administrators review options for reducing costs and providing more efficient service.
- The contractor Tyler Technologies is reassessing all residential and commercial properties.

Significant Actions/Issues

- The City Council adopted the FY 16 Budget on June 17, 2015. The RTAB approved this action on June 23, 2015. The city has also developed a long-term capital improvements plan.
- A suit was filed in federal court by Hamtramck retirees over changes to healthcare benefits made in October 2014. The potential exposure to the city is currently unknown.
- The annual pension liability is anticipated to increase from \$3.5M in FY 15 to \$4.3M by FY 19. This increase is a result of closing certain pension plans and the Michigan Employee's Retirement System (MERS) policy of accelerating the required contribution for closed plans. The increases were included in the EM's two-year budget.

Pontiac

RTAB Appointed: August 19, 2013

RTAB Members: Edward Koryzno, Louis Schimmel, Keith Sawdon, Robert Burgess

Recent Developments

- On September 14, 2015, the City Council approved Jane Bais-DiSessa for the position of Deputy Mayor. The RTAB approved this appointment on September 16, 2015.
- On July 6, 2016, Oakland County Circuit Court Judge Michael Warren dismissed the lawsuit filed by the city against Ottawa Towers LLC/ Phoenix Center. Treasury is working with the city to move forward with the sale to a private operator which could free up \$2M in demolition funds.

Significant Actions/Issues

- On August 19, 2015, the RTAB approved filling the positions of Customer Service Representative and Community Relations Specialist. These positions will assist the Mayor with community and economic development activities.
- Per the city's FY 14 audit, the General Fund accumulated fund balance is approximately \$5M out of a total budget of \$27M.
- The city lost a decision at the Michigan Court of Appeals which may make it liable for a \$3.5M payment to the Police and Fire VEBA. The city requested reconsideration but was denied. In May, the RTAB approved the city's request to appeal to the MI Supreme Court.
- The City of Pontiac Retired Employees Association v. City of Pontiac lawsuit (in U.S. District Court) was reassigned from Judge Lawrence P. Zatkoff to Judge Avern Cohn. The lawsuit challenges former EM Schimmel's elimination of retiree healthcare and replacement with an annual stipend. The General Employees Retirement System Pension Fund is significantly overfunded and the parties are exploring options to use the overfunded portion to fund retiree healthcare. Mediation is taking place under the supervision of Eugene Driker.

CONSENT AGREEMENT

Inkster

Date Executed: February 20, 2012

Consent Agreement Consultant: Mark Stuhldreher

Recent Developments

- On June 29, 2015, a tentative agreement was reached with Wayne County to place a judgment levy on the tax rolls. The levy would run for five years and repay the county \$4.9M in past due sewer charges. The city is in discussions with Wayne County to postpone the levy until July 2016.
- On August 18, 2015, the Michigan Court of Appeals ruled (Trahey v City of Inkster) that the trial court erred in determining the city's 2012 water and sewer rates were unreasonable and ordering the city to issue \$2.55M in credits to residents for reduced water and sewer rates. The city is evaluating this decision.
- The city is collaborating with MSHDA and MEDC to seek new housing developments and development of several vacant commercial parcels. Inkster Police and the city will be utilizing an accumulation of training dollars to train police personnel and staff going forward.

Significant Actions/Issues

- On May 18, 2015, City Council approved the FY 16 Budget.
- On August 3, 2015, the City Council voted to change the employment status of City Manager, Richard Marsh to Special Advisor to the city. The City Council named City Treasurer, Mark Stuhldreher to the position of Interim City Manager. A search firm will conduct a national search to fill the City Manager's position.
- On April 20, 2015, the city adopted a working capital reserve policy for the Water and Sewer Fund which will provide funds for emergency situations.
On June 29, 2015, an Order was issued requiring the City Treasurer to approve all employment matters with city officials and employees, expenditure of funds, and all contracts.

- William Riley is Inkster's new Police Chief. Mr. Riley's start date was August 10, 2015. The new chief has been reaching out to community groups and the neighborhoods, and is fully engaged.

River Rouge

Date Executed: December 15, 2009

Consent Agreement Consultant: N/A (P.A. 72)

Significant Actions/Issues

- A fire union collective bargaining agreement was approved in March, resulting in a reduction in healthcare costs.
- The city adopted its FY 16 Budget on May 19, 2015. The budget is balanced and has a beginning fund balance of \$1,967,613. The city has prepared a proposed five-year budget that shows a deficit in FY 18 to FY 20 unless additional revenues can be found.

Royal Oak Township

Effective Date: April 21, 2014

Consent Agreement Consultant: Robert Burgess

Recent Developments

- The Township Board voted to extend the Consent Agreement Consultant's contract through March 31, 2016.
- The Consent Agreement Consultant, Treasury, and the Michigan State Police met with Oak Park City Manager on September 21, 2015 to discuss the city providing police services to the township.
- A six-month plan has been developed by Consent Agreement Consultant Robert Burgess, listing the priorities for the next several months. Treasury has been offering assistance to the consultant in implementing the plan's priorities.

Significant Actions/Issues

- On August 4, 2015, voters approved a renewal of 4.5 mills for general operations.
- On June 17, 2015, an Order was issued granting the Consultant broad authority to approve expenditures made by the township and ensure that obligations are being paid. The Order also gives the Consultant authority to invest the \$620K in reimbursed retirement assets with MERS.
- The Michigan State Police continues to provide police services to the township.
- The township audit was completed. Auditors recommend the township submit a Deficit Elimination Plan for 2014, select a firm to advise the township on financial matters, and perform an inventory of assets.

- Treasury learned that the Township Supervisor was regularly authorizing overtime for employees, though overtime was not included in the FY 15 Budget and the Consent Agreement requires State Treasurer approval prior to overtime expenditures. On May 20, 2015, an Order was issued requiring the Consultant to approve all requests for overtime prior to authorization.

Wayne County

Recent

- On September 15, 2015, the County Deputy Chief Financial Officer submitted a cash flow forecast as required by the Consent Agreement. It is under review by Treasury staff.
- AFSCME Council 25 attempts to block any changes to the terms and conditions of employment has failed at the state courts. On September 15, 2015, AFSCME filed a Motion for a Temporary Restraining Order to prevent changes to the terms and conditions of employment in Federal Court but it has not yet been granted. The County has filed a request with the United States District Court to deny the Temporary Restraining Order and to dismiss the lawsuit. No decision has been made.

Significant Actions/Issues

- On August 21, 2015, the County Board approved the Consent Agreement negotiated between the County Executive and State Treasurer.
- On June 10, 2015, the county reached a settlement with retirees on healthcare. The county will no longer provide health insurance but will instead provide a stipend to retirees. This will result in a savings of \$20M annually.
- The county's annual structural General Fund deficit is approximately \$52M prior to any of the proposed remedial actions.
- The county's proposed restructuring is approximately \$53M in General Fund savings, \$25M of which comes from changes to pension and healthcare benefits for active employees and healthcare benefits for retirees.
- The county has not yet proposed a long-term solution to its jail problems.

NEUTRAL EVALUATION

Highland Park

Financial Review Team Appointed: December 2, 2013

Financial Emergency Declared: January 30, 2014

P.A. 436 Option Selected: Neutral Evaluation

Recent Developments

- On August 11, 2015, a report was issued by Meadowbrook Insurance on the progress of reducing the city's healthcare costs. When successfully implemented after October 1, 2015, the \$1.4M annual cost of healthcare could be reduced to \$630K.
- On August 24, 2015, City Council gave conditional approval to the settlement agreement between the city and DWSD over past due water and sewer bills. However, the city is waiting for a response from DWSD on other issues.
- The second phase of emergency loans is under discussion. It would consist of approximately \$4.7M to restructure the city's three outstanding emergency loans and \$11.5M to refinance outstanding debt.

- The city has purchased the first quantity of water meters at a cost of \$343K. Meter installation is underway.
- Wade Trim, the firm hired by Highland Park to manage the water and sewer operations, processed the first regular water and sewer bills to customers on August 13, 2015.

Significant Actions/Issues

- On June 29, 2015, City Council approved a substantial increase in water and sewer rates which will allow the city to fund water and sewer operations.
- On July 6, 2015, Wade Trim began duties to operate and maintain the water and sewer systems.
- Louis Schimmel was hired on June 29, 2015, to provide consulting services regarding water and sewer issues.
- On July 31, 2015, the water and sewer amnesty program expired. City Administrator Cathy Square stated the city will work with customers to settle their past due accounts.
- On May 18, 2015, the City Council approved a resolution requesting MDOT to pay for storm water drainage from the highways and freeways under state jurisdiction in the city. The City Administrator has indicated that the city has filed suit against both MDOT and Wayne County over storm water.
- On May 18, 2015, City Council approved a consultant's recommendation for an amnesty plan for residential customers to pay arrearage amounts owed to the city. The consultant has determined that if all customers take advantage of the amnesty plan, the city could collect \$2.08M. The city extended the amnesty plan until July 31, 2015 to allow more time for customers to pay past due accounts.
- The city's liabilities total \$99.9M. Some major components are: \$55.3M debt, including \$20.7M owed to the DWSD, and \$26.1M unfunded other post-employment benefits (OPEB).

EMERGENCY MANAGER - MUNICIPALITIES				
Unit of Government	Current Emergency Manager	Initial Appointment Date	Target Exit Date	Notes
City of Lincoln Park	Brad Coulter	July 3, 2014	January 2016	FY 15 ended with an estimated \$100K general fund operating surplus. Will submit DEP. Actuarial analysis published on 5/20/15 shows further decline in pension funding down 23%. Mathew Coppler, City Manager of Enfield, Connecticut accepted position of City Manager.
FINANCIAL REVIEW COMMISSION (FRC) – MUNICIPALITIES				
Unit of Government	Board Members	Appointment Date	Target Exit Date	
City of Detroit	Nick Khouri, John Roberts, Bill Martin, Mike Duggan, Brenda Jones, Darrell Burks, Lorrion James, Stacy Fox, Tony Saunders	November 12, 2014	NA	City held its bi-annual revenue estimating conference on 9/17/15 and submitted report to FRC on 9/28/15. Mayor Duggan briefed the FRC on 9/28/15 in closed session on his strategy and details of the pending collective bargaining agreement with the city's bus drivers.
RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB) - MUNICIPALITIES				
Unit of Government	Board Members	Appointment Date	Target Exit Date	Notes
City of Allen Park	Suzanne Schafer, Joyce Parker, Fredrick Frank, Karen Barann	September 26, 2014	NA	4-year CBA with police approved by Council and the RTAB despite concerns in increased costs. (RTAB vote was 2-1 to approve). RTAB approved 5-year financial plan on 5/15/15. Bond Tender extension expired on 10/1/15. \$11.21M of bonds were tendered.
City of Benton Harbor	Larry Steckelberg, Bret Witkowski, Marvin Raglon, Sharon Hunt	March 10, 2014	NA	Commission requested a hearing to discuss financial assistance re EM decisions made that resulted in legal fees and settlement costs. Former Public Safety Director brought Whistleblower and Elliot Larson Civil Rights case against the city. Mediation took place on 7/17/15, no settlement reached.
City of Ecorse	Edward Koryzno, Robert Bovitz, Joyce Parker	May 1, 2013	NA	Balanced 5-year financial plan completed. Difficult changes must be realized to comply. RTAB approved balanced FY 16 Budget on 5/12/15.

Public Act 436 of 2012 Summary

MUNICIPALITIES

City of Flint	Frederick Headen, Brian Larkin, David McGhee, Beverly Walker-Griffa, Robert McMahan	April 29, 2015	NA	As a result of lawsuit decision, city estimates that revenue will decrease by \$666K per month and projects a lost \$6.6M for remainder of the fiscal year. The injunction requires city to repay \$15.7M from the General Fund to the Water Fund. KWA pipeline expected to be completed in June 2016.
City of Hamtramck	Deb Roberts, Mark Stema, Karen Young, Cathy Square	December 1, 2015	NA	Undertaking a \$6M sewer infrastructure improvement project which is eligible for State Revolving Fund Monies. Project will reduce storm water inflow into sanitary sewers.
City of Pontiac	Edward Koryzno, Louis Schimmel, Keith Sawdon Robert Burgess	August 19, 2013	NA	On 9/16/15, City Council approved Deputy Mayor hire. City lost Supreme Court ruling to demolish Phoenix Center. Treasury working with city to move forward with sale to private operator which frees up \$2M in demolition funds. FY 16 Budget and 2015 tax rates approved by RTAB on 6/26/15.
CONSENT AGREEMENT - MUNICIPLITIES				
Unit of Government	Treasury Representative/Consultant	Date Executed	Term of Consent Agreement	Notes
City of Inkster	Mark Stuhldreher, Interim City Manager and City Treasurer/Finance Director	February 20, 2012	N/A	On 8/3/15, City Council voted to change the employment status of the City Manager to Special Advisor. Mark Stuhldreher appointed interim City Manager. Tentative agreement w/ Wayne County for judgement levy on tax rolls. Levy to run for 5 years and repay county \$4.9M in past due sewer charges. Collaborating with MSHDA and MEDC to seek new housing developments and development of several vacant commercial parcels.
City of River Rouge	N/A (P.A. 72)	December 15, 2009	N/A	FY 16 Budget adopted on 5/19/15. Proposed 5-yr budget shows a deficit in FY 18 to FY 20 unless additional revenues can be found.
Royal Oak Township	Robert Burgess	April 21, 2014	October 31, 2017	On 8/3/15, voters approved a renewal of 4.5 mills for general operations. Order issued on 6/17/15 granting the Consultant broad authority to approve expenditures made by the township to ensure obligations are being paid.
Wayne County				On 9/15/15, AFSCME filed motion for temporary restraining order to prevent changes to terms and conditions of employment in Federal Court. County filed request with US District Court to deny the temporary restraining order and dismiss lawsuit. No decision has been made.

				On 6/10/15, county reached settlement with retirees on healthcare to provide stipend in lieu of health insurance.
NEUTRAL EVALUATION - MUNICIPALITIES				
Unit of Government	Financial Review Team Appointed	Financial Emergency Declared	Date Option Selected	Notes
City of Highland Park	December 2, 2013	January 30, 2014	May 1, 2014	Wade Trim began operating and maintaining water and sewer systems on 7/6/15. 2 nd phase of emergency loans tentative for 9/24/15 – \$4.7M to restructure 3 outstanding loans and \$11.5M to refinance outstanding debt. On 6/29/15, Council approved substantial increase in water/sewer rates.
OTHER COMMUNITIES - MUNICIPALITIES				
City of Melvindale * City of Wayne *				
EMERGENCY MANAGER - SCHOOLS				
Unit of Government	Emergency Manager	Appointment Date	Target Exit Date	Notes
Detroit Public Schools	Darnell Earley	January 13, 2015	April 2016	Sodexo expected to petition for judgment levy for unpaid balance of \$26M. Hired a Deputy Superintendent of Finance and Operations. Continues to work on long-term strategy with E&Y/ Parthenon. Weekly meetings to monitor critical cash, shortfall of approximately \$78M for FY16. ORS delinquencies growing to approximately \$95.7M; reached agreement at \$750k per month and submit a plan to resolve balance due by October 2016. Pupil count projected to decline by 848 from 47,098 in FY 14-15 to 46,250 in FY 15-16.
Highland Park School District	Donald Weatherspoon	April 15, 2015	October 2016	Beginning in September 2015, DPS provides for educational services for grades 9-12. Renewal of non-homestead millage is scheduled for November 2015. Pupil count projected to decline by 40 students from 580 in 2014-15 to 540 in 2015-16.
Muskegon Heights School District	Steven Schiller	April 15, 2015	October 2016	Completed transition from Mosaica to ISD. ORS payments continue to go only towards interest payments, leaving the principal amount due

				untouched. Pupil enrollment projected to decline by 80 from 902 in 2014-15 to 822 in 2015-2016.
CONSENT AGREEMENT - SCHOOLS				
Unit of Government	Consultant	Appointment Date	Target Exit Date	Notes
School District of City of Pontiac	Donald Weatherspoon	October 15, 2013	September 2015	District expects to place before voters in March 2016 non-homestead millage, the same date as the Republican Presidential Primary. District expects to place before voters in May 2016 a 2.87 mill, 5-year sinking fund ballot measure. In August, a similar measure failed by less than 120 votes. Pupil count projected to decline by 14 from 4,329 in 2014-15 to 4,315 in 2015-16.
Benton Harbor Schools	Cynthia M. LaGrow	November 18, 2014	November 2016	Hired new CFO. Formally dismissed suspended superintendent and entered into a settlement agreement. Pupil count projected to decline of 101 from 2,428 in 2014-15 to 2,327 in 2015-16. Transitioned from Plante Moran to Berrien RESA for essential office admin support.
SCHOOLS WATCH LIST				
With the passage of 2015 PAs 109-111, Treasury is expected to have authority over the following deficit districts. * Flint * Hazel Park * Westwood * Mt. Clemens * Bridgeport Spaulding * Clintondale * New Haven * Vanderbilt * Southgate *				

From: Wisniewski, Wendy (GOV)
Sent: Tuesday, October 13, 2015 4:39 PM
To: Clement, Elizabeth (GOV) (clemente@michigan.gov)
Subject: FW: Revised Summary/Distressed Schools Summary
Attachments: Revised_201508_436Summary.docx

From: Workman, Wayne (TREASURY)
Sent: Monday, August 17, 2015 12:03 PM
To: Snyder, Rick (GOV) [REDACTED]
Cc: Muchmore, Dennis (GOV) <muchmored@michigan.gov>; Clement, Elizabeth (GOV) <clemente@michigan.gov>; Scott, Allison (GOV) <scottal12@michigan.gov>; Khouri, Nick (TREASURY) <KhouriN@michigan.gov>; Roberts, John (DTMB) <RobertsJ9@michigan.gov>; Baird, Richard (GOV) <bairdr@michigan.gov>; Walsh, John (GOV) <WalshJ@michigan.gov>; Redford, James (GOV) <RedfordJ@michigan.gov>; Allard, Claire (GOV) <allardc1@michigan.gov>; Wisniewski, Wendy (GOV) <wisniewskiw@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Koryzno, Edward (Treasury) <KoryznoE@michigan.gov>; Durfee, Sally (TREASURY) <DurfeeS1@michigan.gov>
Subject: FW: Revised Summary/Distressed Schools Summary

Governor and All, Attached is an updated and revised version of the Distressed Municipality and School Summary Report transmitted August 14 at 11:38 am. This should replace the Summary transmitted on August 14. Thank you, Wayne

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury

From: Saxton, Thomas (Treasury)
Sent: Monday, August 17, 2015 11:01 AM
To: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Cc: Connors, Paul (Treasury) <ConnorsP@michigan.gov>
Subject: FW: Revised Summary/Gov Doc

Here is the attached table with the corrected data. I gave Paul a few nits on the memo; which I will bring hard copies to the meeting tomorrow.

If you see anything we should change let us know.

From: Connors, Paul (Treasury)
Sent: Monday, August 17, 2015 8:23 AM
To: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
Cc: Pleyte, Beth (Treasury) <PleyteB@michigan.gov>; Storberg, Ann Marie (TREASURY) <StorbergA@michigan.gov>
Subject: Revised Summary/Gov Doc

Here you go

Director of the Office of School Review and Fiscal Accountability
Michigan Department of Treasury
430 W. Allegan Street

Lansing, MI 48922
(517) 241-1186

Public Act 436 of 2012 Summary

EMERGENCY MANAGER - MUNICIPALITIES				
Unit of Government	Current Emergency Manager	Initial Appointment Date	Target Exit Date	Notes
City of Lincoln Park	Brad Coulter	July 3, 2014	January 2016	FY 15 ended with an estimated \$100K general fund operating surplus. Will submit DEP. Actuarial analysis published on 5/20/15 shows further decline in pension funding down 23%. Mathew Coppler, City Manager of Enfield, Connecticut accepted position of City Manager.
FINANCIAL REVIEW COMMISSION (FRC) – MUNICIPALITIES				
Unit of Government	Board Members	Appointment Date	Target Exit Date	
City of Detroit	Nick Khouri, John Roberts, Bill Martin, Mike Duggan, Brenda Jones, Darrell Burks, Lorrion James, Stacy Fox, Tony Saunders	November 12, 2014	NA	City Council approved DWSD FY 16 water/sewer increase on 7/21/15 which eliminates a potential budget deficit. First post-bankruptcy credit rating – S&P “A” rating for exit financing, with stable outlook General Obligation rating – S & P rating is a “B” with stable outlook and Moody’s upgraded from “B3” to “B2” with a positive outlook. FRC filed its first biannual report on 5/28/15. 2 nd report will be filed in December 2015. Assessor’s Office conducting multi-year project to reappraise properties - complete in 2017.
RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB) - MUNICIPALITIES				
Unit of Government	Board Members	Appointment Date	Target Exit Date	Notes
City of Allen Park	Suzanne Schafer, Joyce Parker, Fredrick Frank, Karen Barann	September 26, 2014	NA	4-year CBA with police approved by Council and the RTAB despite concerns in increased costs. (RTAB vote was 2-1 to approve). RTAB approved 5-year financial plan on 5/15/15. Bond Tender projects to be completed in August 2015.
City of Benton Harbor	Larry Steckelberg, Bret Witkowski, Marvin Raglon, Sharon Hunt	March 10, 2014	NA	Commission requested a hearing to discuss financial assistance re EM decisions made that resulted in legal fees and settlement costs. Former Public Safety Director brought Whistleblower and Elliot Larson Civil Rights case against the city. Mediation took place on 7/17/15, no settlement reached.

Public Act 436 of 2012 Summary

City of Ecorse	Edward Koryzno, Robert Bovitz, Joyce Parker	May 1, 2013	NA	Balanced 5-year financial plan completed. Difficult changes must be realized to comply. RTAB approved balanced FY 16 Budget on 5/12/15.
City of Flint	Frederick Headen, Brian Larkin, David McGhee, Beverly Walker-Griffea, Robert McMahan	April 29, 2015	NA	RTAB approved Obsolete Property Rehabilitation Act (OPRA) certificate for downtown property on 7/15/15. Motion denied on 6/23/15 for preliminary injunction to force city to purchase water from Detroit. 2 nd lawsuit filed on 7/16/15. KWA pipeline expected to be completed in June 2016.
City of Hamtramck	Deb Roberts, Mark Stema, Karen Young, Cathy Square	December 1, 2015	NA	Undertaking a \$7M sewer infrastructure improvement project which is eligible for State Revolving Fund Monies. Project will reduce storm water inflow into sanitary sewers.
City of Pontiac	Edward Koryzno, Louis Schimmel, Keith Sawdon Robert Burgess	August 19, 2013	NA	Interviews for Deputy Mayor position are being held in August 2015. City lost Supreme Court ruling to demolish Phoenix Center. Treasury working with city to move forward with sale to private operator which frees up \$2M in demolition funds. FY 16 Budget and 2015 tax rates approved by RTAB on 6/26/15.
CONSENT AGREEMENT - MUNICIPLITIES				
Unit of Government	Treasury Representative/Consultant	Date Executed	Term of Consent Agreement	Notes
City of Inkster	Mark Stuhldreher, Interim City Manager and City Treasurer/Finance Director	February 20, 2012	N/A	On 8/3/15, City Council voted to change the employment status of the City Manager to Special Advisor. Mark Stuhldreher appointed interim City Manager. Tentative agreement w/ Wayne County for judgement levy starting w/ December 2015 tax roll. Collaborating with MSHDA and MEDC to seek new housing developments and development of several vacant commercial parcels.
City of River Rouge	N/A (P.A. 72)	December 15, 2009	N/A	FY 16 Budget adopted on 5/19/15. Proposed 5-yr budget shows a deficit in FY 18 to FY 20 unless additional revenues can be found.
Royal Oak Township	Robert Burgess	April 21, 2014	October 31, 2017	On 8/3/15, voters approved a renewal of 4.5 mills for general operations. Order issued on 6/17/15 granting the Consultant broad authority to approve expenditures made by the township to ensure obligations are being paid.

Public Act 436 of 2012 Summary

Wayne County				County selected the consent agreement option on 8/6/15. Currently negotiating. On 6/10/15, county reached settlement with retirees on healthcare to provide stipend in lieu of health insurance.
NEUTRAL EVALUATION - MUNICIPALITIES				
Unit of Government	Financial Review Team Appointed	Financial Emergency Declared	Date Option Selected	Notes
City of Highland Park	December 2, 2013	January 30, 2014	May 1, 2014	Wade Trim began operating and maintaining water and sewer systems on 7/6/15. 2 nd phase of emergency loans tentative for 9/24/15 – \$4.7M to restructure 3 outstanding loans and \$11.5M to refinance outstanding debt. City issued RFP to contract out collection of past due water/sewer bills. On 6/29/15, Council approved substantial increase in water/sewer rates.
OTHER COMMUNITIES				
City of Melvindale * City of Wayne *				
EMERGENCY MANAGER - SCHOOLS				
Unit of Government	Emergency Manager	Appointment Date	Target Exit Date	Notes
Detroit Public Schools	Darnell Earley	January 13, 2015	April 2016	FOP/ 45 Day Plan submitted on 2/27/15. Working on long-term strategy with E&Y/ Parthenon. Searching for senior staff. Weekly meetings to monitor critical cash, shortfall of approximately \$78M for FY16. ORS delinquencies growing to approximately \$91M; reached agreement at \$750k per month with plan to resolve balance due by October 2016. Pupil enrollment declined from 48,511 in 2013-14 to 47,160 in 2014-15.
Highland Park School District	Donald Weatherspoon	April 15, 2015	October 2016	Due to financial and academic restraints, educational services for grades 9-12 will be provided for by DPS starting in Fall 2015. Legacy costs, including but not limited to, retirement pensions, UI, legal services, and utilities have not been fully paid-to-date.

Public Act 436 of 2012 Summary

				Budget deficit decreased slightly for FY 15 and will continue to decrease by about \$800K each year afterward. Pupil count declined from 639 in 2013-14 to 511 in 2014-15.
Muskegon Heights School District	Steven Schiller	April 15, 2015	October 2016	Completed transition from Mosaica to ISD on 6/30/14. Continue to struggle with residual financial issues related to exit of Mosaica. Budget deficit declining - negative fund balances reduced \$11.9M in FY 12 to \$1.1M in FY 15. Pupil enrollment declined from 912 in 2013-14 to 902 in 2014-15.
CONSENT AGREEMENT - SCHOOLS				
Unit of Government	Consultant	Appointment Date	Target Exit Date	Notes
School District of City of Pontiac	Donald Weatherspoon	October 15, 2013	September 2015	Budget deficit continues to decline and negative fund balance has been reduced from \$50.4M in FY 13 to \$35.9M in FY 15. On 8/4/15, voters disapproved a 2.87 millage, 5-yr sinking fund needed for facility repairs and improvements. Alternative options are now being reviewed, A \$10M emergency loan approved by ELB on 7/21/15. Due to \$20M loan cap per municipality, district is no longer eligible for future emergency loans. Pupil count declined from 4,531 in 2013-14 to 4,385 in 2014-15
Benton Harbor Schools	Cynthia M. LaGrow	November 18, 2014	November 2016	Appointed interim CFO in July 2015, search continues for permanent CFO. Transitioning from Plante Moran to Berrien RESA for essential office admin support. \$1.4M emergency loan approved by ELB on 7/21/25. G. Weatherspoon was appointed acting superintendent in June 2015. Former superintendent placed on administrative leave on 4/30/15 and currently under investigation. Pupil count declined from 2,668 in 2013-14 to 2,428 in 2014-15.
SCHOOLS WATCH LIST				
With the passage of 2015 PAs 109-111, Treasury is expected to have authority over the following deficit districts: Flint Hazel Park Westwood Mt. Clemens				

Public Act 436 of 2012 Summary

Bridgeport Spaulding
Clintondale
New Haven
Vanderbilt
Southgate
Mackinac City

From: Snyder, Rick (GOV)
Sent: Saturday, January 24, 2015 11:18 AM
To: Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Calley, Brian (GOV); Walsh, John (GOV); Agen, Jarrod (GOV); Posthumus, Dick (GOV)
Cc: Scott, Allison (GOV)
Subject: Draft Priorities list
Attachments: 2015 Priorities draft v1.1 150124.docx

Please find attached a draft list of 2015 priorities for your review and comment.

At least we can't be accused of slowing down in term two. Dog years are alive and well!

Thanks
Rick

Top Priorities

Redacted

Messages/Summits

Redacted

Legislative Priorities

Redacted

Executive Branch Priorities

Redacted

Local Priorities

Redacted

36. Flint water system

Redacted

Redacted

Redacted

From: Snyder, Rick (GOV)
Sent: Monday, January 26, 2015 1:00 PM
To: Scott, Allison (GOV); Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Walsh, John (GOV); Agen, Jarrod (GOV)
Cc: Calley, Brian (GOV)
Subject: Updated list
Attachments: 2015 Priorities draft v1.2 150126.docx

Please see the attached. For our discussion later this pm.

Thanks
Rick

Top Priorities

Redacted

Messages/Summits

Redacted

Legislative Priorities

Redacted

Executive Branch Priorities

Redacted

Local Priorities

Redacted

37. Flint water system (DW)

Redacted

Redacted

Federal Priorities

Redacted

Trips (SA)

Redacted

Other (JW)

Redacted

From: Workman, Wayne (TREASURY)
Sent: Friday, June 12, 2015 2:26 PM
To: Clement, Elizabeth (GOV); Walsh, John (GOV); Redford, James (GOV); Headen, Frederick (Treasury); Stanton, Terry A. (Treasury); Sampson, Jeremy (TREASURY)
Subject: FW: Local Government Update to State Treasurer/June 2015
Attachments: Gov LG Update 6-12-15.docx

FYI

From: Workman, Wayne (TREASURY)
Sent: Friday, June 12, 2015 2:12 PM
To: [REDACTED]
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Roberts, John (DTMB); Allard, Claire (GOV); Khouri, Nick (TREASURY); Saxton, Thomas (Treasury); Storberg, Ann Marie (TREASURY); Gelisse, Ashley (TREASURY); Wisniewski, Wendy (GOV); Dempkowski, Angela (Treasury); Koryzno, Edward (Treasury)
Subject: Local Government Update to State Treasurer/June 2015

Attached is the periodic update on distressed local governments. If you have any questions, please call.

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: June 12, 2015
TO: Rick Snyder, Governor
FROM: Wayne Workman, Deputy State Treasurer
SUBJECT: Status of Financially Stressed Local Governments

EMERGENCY MANAGER

Lincoln Park

Emergency Manager: Brad Coulter

Appointed: July 3, 2014

Anticipated Exit: January 2016

Recent Developments

- The Police and Fire Pension Board elected to switch investment advisors to PNC. EM Coulter now expects better returns on pension assets.
- An actuarial analysis published on May 20, 2015 shows a further decline in pension funding, down to 23%. More conservative actuarial assumptions were used in this report.
- EM Coulter has modified retiree collective bargaining agreements to reduce healthcare benefits. These changes are to be implemented on July 1, 2015 and will reduce retiree healthcare costs from \$4.1M to \$600K annually.

Significant Actions/Issues

- FY 14 ended with a general fund accumulated deficit of \$736K, out of a total budget of \$21M. This is a significant increase from the FY 13 accumulated deficit of \$89K. Salient increases were in Public Safety - \$1.1M, Public Works - \$700K, and Culture and Recreation - \$600K.
- Voters rejected the Firefighters and Police Officers Retirement Act proposal last month by a 53% to 47% margin. Had it been approved, an additional \$3M annually would have helped fund fire/police pension and healthcare costs. EM Coulter is working to determine next steps.

Issues to Resolve before EM Exit

- Police CBAs must be finalized.
- Increase and stabilize pension funding levels.

FINANCIAL REVIEW COMMISSION (FRC)

Detroit

FRC Created: November 12, 2014

FRC Members: Nick Khouri, Bill Martin, Brenda Jones, Darrell Burks, John Roberts, Lorrion James, Mike Duggan, Stacy Fox, Tony Saunders

Recent Developments

- The first statutorily required biannual report on Detroit was filed by the Financial Review Commission (FRC). The report detailed the FRC's activities and formal requirements since its appointment in November 2014.
- At the May 18, 2015 FRC meeting, members approved various contracts and leases related to the Detroit Water and Sewerage Department transaction.
- The most intense work the FRC will perform going forward is measuring the effectiveness of restructuring initiatives in light of the large annual pension obligations the city will incur beginning in 2024.
- The City of Detroit Assessor's Office is currently conducting a multi-year project to reappraise all properties in Detroit, after the State Tax Commission found significant problems with property valuations. The reappraisal is scheduled to be completed in 2017.
- The next FRC meeting is scheduled for June 22, 2015.

Significant Action/Issues

- The city submitted its Four-Year Financial and Operating Plan (Plan) to the FRC in March. After reviewing the Plan and determining it was based on sound assumptions and met all statutory requirements, the FRC granted approval on April 20, 2015. The city's Plan encompassed the second year (FY 16) of Emergency Manager Orr's two-year budget and used this as its base year with no changes, plus three years (FY 17, FY 18, and FY 19).

RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB)

Allen Park

RTAB Appointed: September 26, 2014

RTAB Members: Suzanne Schafer, Joyce Parker, Fredrick Frank, Karen Barann

Recent Developments

- The city met with the police bargaining unit and is considering a one-year extension to the CBA. Treasury is investigating whether existing EM Orders would prohibit changes until after the CBA expires June 30, 2015.
- On May 15, 2015, an updated five-year budget projection from the city was received. Treasury is evaluating these projections.
- The city's FY 16 budget was approved by City Council on May 26, 2015 and approved by the RTAB on June 3, 2015. Treasury is evaluating the budget.
- The RTAB approved the hiring of a professional search firm to assist with finding qualified City Administrator candidates. Treasury will participate in the selection process.
- Completion of the bond tender process, delayed due to uncertainty involving the City Administrator position, is projected for July 2015.

Significant Actions/Issues

- RTAB membership will need to be increased due to potential loss of one member and concern about possible deadlocked votes with the current four-member board.
- In April, the RTAB approved creation of an Interim Deputy City Administrator position to oversee city operations until the bond tender and City Hall projects are complete. Mark Kibby, former City Manager of the City of Woodhaven, was appointed to this position.
- Litigation was filed by retirees challenging the EM's authority to reduce other post-employment benefit (OPEB) liabilities. A motion for summary disposition is pending. No date has been set to hear this motion.

Benton Harbor

RTAB Appointed: March 10, 2014

RTAB Members: Larry Steckelberg, Bret Witkowski, Marvin Raglon, Sharon Hunt

Recent Developments

- Former Benton Harbor Public Safety Director Roger Lange has brought a Whistleblower and Elliot Larson Civil Rights case against the City of Benton Harbor and former Emergency Manager Tony Saunders. The case was originally scheduled to be heard July 20, 2015, but is expected to be postponed due to a procedural appeal filed by the city.
- The city's Finance Director has accepted a position as CFO in the City of Flint. Her last day in Benton Harbor was June 5, 2015.
- The city's Deputy Finance Director, multiple Public Safety Officers, and two Public Works Department employees have resigned due to other employment opportunities.

Significant Actions/Issues

- On April 6, 2015, the City Commission passed resolutions adopting a procurement policy, investment policy, and a credit card policy.
- FY 14 audited general fund revenues exceed expenditures by \$1M, out of a total budget of \$6.1M.

Ecorse

RTAB Appointed: May 1, 2013

RTAB Members: Edward Koryzno, Robert Bovitz, Joyce Parker

Recent Developments

- On May 12, 2015, the RTAB approved a narrowly balanced FY 16 budget, though significant deficits are projected in future fiscal years. To balance the budget, the city increased an existing P.A. 33 levy by approximately 15 mills to fund employee pensions.
- The City Administrator has requested a new City Controller (third in six months), however; the RTAB rejected this appointment at the May meeting. The Mayor has submitted a letter of protest, disagreeing with this RTAB decision.
- The State Treasurer approved an RTAB recommendation to amend the final EM Order to provide RTAB oversight for all hiring and terminations.

Significant Actions/Issues

- The RTAB's Annual Evaluation for the Governor was not favorable, citing a lack of local financial literacy, political infighting, and an inability to develop a balanced multi-year budget. For these reasons, the removal of RTAB oversight cannot be recommended at this time.
- The city continues to have difficulty attracting qualified candidates and filling higher level administrative positions.
- Municipal Employee's Retiree System pension contributions are anticipated to increase from \$1.8M in FY 15 to \$2.4M in FY 16 due to accelerated funding for closed plans.
- The city has been unable to balance its five-year budget. Previous budgets project deficit spending in FY 16, and exhaustion of all resources in FY 17. To avoid this eventuality, significant expense reductions will be necessary in upcoming fiscal years.

Flint

RTAB Appointed: April 29, 2015

RTAB Members: Frederick Headen, Brian Larkin, David McGhee, Beverly Walker-Griffea, Robert McMahan

Recent Developments

- Legislation has been passed that will allow candidates who submitted petitions by April 28, 2015 to have their names placed on the August Primary ballot.
- Jodi Lundquist has accepted the employment offer as CFO.
- As a result of a recent review, the Executive Director of the State Tax Commission notified the city that it must maintain adequate assessment records in compliance with statute and State Tax Commission Rules, and must implement any corrective actions necessary. In addition, the city shall implement a full reassessment within a time frame agreed upon with the State Tax Commission. The city will be issuing an RFP for a reappraisal.
- The city continues to inform residents that it is in violation of the Clean Water Standards Act. Monthly testing is ongoing.
- The city is implementing Veolia recommended improvements to its water system, including water plant improvements, distribution system improvements, new policies and procedures, and better communication with customers. The city is installing a \$1.5M granulated active-charcoal filter to improve water quality. This filter installation will be completed in mid-July.
- On May 27, 2015, the city hired Echologics at a cost of \$895,850 to perform a leak detection study.

Significant Actions/Issues

- If the city loses a lawsuit over retiree healthcare, the EM's two-year budget does not assume an additional \$5M to \$6M annual expense which would result and which would grow at a rate equal to the general rise in healthcare costs.

Hamtramck

RTAB Appointed: December 18, 2014

RTAB Members: Deborah Roberts, Mark Stema, Cathy Square, Karen Young

Recent Developments

- Based on the city's FY 14 audit, the general fund's accumulated fund balance is \$2.8M out of a total budget of \$16.2M.

- The city is undertaking a \$7 million sewer infrastructure improvement project which is eligible for State Revolving Fund monies. The project will reduce storm water inflow into the sanitary sewers.

Significant Actions/Issues

- A suit was filed in federal court by Hamtramck retirees over changes to healthcare benefits made in October 2014. The potential exposure to the city is currently unknown.
- The annual pension liability is anticipated to increase from \$3.5M in FY 15 to \$4.3M by FY 19. This increase is a result of closing certain pension plans and the Michigan Employee's Retirement System (MERS) policy of accelerating the required contribution for closed plans. The increases were included in the Emergency Manager's two-year budget.

Pontiac

RTAB Appointed: August 19, 2013

RTAB Members: Edward Koryzno, Louis Schimmel, Keith Sawdon, Robert Burgess

Recent Developments

- On May 20, 2015, the RTAB postponed consideration of an amendment to the city's retirement ordinance that would have granted early retirement status to 69 former employees. The amendment was adopted by City Council in April with no prior analysis or actuarial study being conducted. The best available estimates indicate an impact to the pension system of approximately \$9-\$13M per year. The ordinance amendment was sent back to committee for further review.
- The city lost a decision at the Michigan Court of Appeals which may make it liable for a \$3.5M payment to the Police and Fire VEBA. The city requested reconsideration but was denied. On May 20, 2015, the RTAB approved the city's request to file to the Michigan Supreme Court.
- On May 21, 2015, the Securities and Exchange Commission (SEC) issued an Order to initiate proceedings against Gray & Company, the city's pension investment advisor. The proceedings involve Gray & Company's dealings with investments made by several Georgia pension plans in the GrayCo Alternative Fund II LP, a proprietary private equity fund. The Pension Board met with Mr. Gray to discuss the SEC proceedings, its effects on the Pontiac GERS portfolio, and how much is invested with Gray's firm. The Pension Board is reviewing options for withdrawal of pension assets from Grayson controlled funds.

Significant Actions/Issues

- On May 5, 2015, the city's Charter proposal was rejected by voters by a 55% to 45% margin.
- Per the city's FY 14 audit, the general fund's accumulated fund balance is approximately \$5M out of a total budget of \$27M.
- An Oakland Co. Circuit Judge dismissed the city's condemnation lawsuit involving the Phoenix Center because the city failed to include compensation for the lien placed on the property. The city is preparing an appeal to the U.S. Sixth Circuit Court of Appeals.
- The City of Pontiac Retired Employees Association v. City of Pontiac lawsuit (in U.S. District Court) was reassigned from Judge Lawrence P. Zatkoff to Judge Avern Cohn. The lawsuit challenges former EM Schimmel's elimination of retiree healthcare and

replacement with an annual stipend. The General Employees Retirement System Pension Fund is significantly overfunded and the parties are exploring options to use the overfunded portion to fund retiree healthcare. Mediation is taking place under the supervision of Eugene Driker.

CONSENT AGREEMENT

Inkster

Date Executed: February 20, 2012

Consent Agreement Consultant: Mark Stuhldreher

Recent Developments

- On May 14, 2015, the City Council agreed to settle the Dent lawsuit regarding police misconduct for \$1.37M. The cost of the settlement will be placed on the tax roll by a judgement levy.
- Three Police Chief candidates were interviewed on June 11, 2015.

Significant Actions/Issues

- On April 20, 2015, the city adopted a working capital reserve policy for the Water and Sewer Fund which will provide funds for emergency situations.
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- The city owes \$4.9M to Wayne County for sewer service.

River Rouge

Date Executed: December 15, 2009

Consent Agreement Consultant: N/A (P.A. 72)

Recent Developments

- The city adopted its FY 17 budget on May 19, 2015. The budget is balanced at \$9,839,808 which compares with the FY 16 budget of \$9,878,991. The city has prepared a proposed five-year budget that shows a deficit in FY 18 to FY 20 unless additional revenues can be found.

Significant Actions/Issues

- A fire union CBA was approved in March, resulting in a reduction in health care costs.
- General fund revenues exceeded expenditures by \$885K in FY 14 and the accumulated fund balance was \$1.9M.

Royal Oak Township

Effective Date: April 21, 2014

Consent Agreement Consultant: Robert Burgess

Recent Developments

- Treasury has learned that the Township Supervisor is regularly authorizing overtime for employees, though overtime is not included in the FY 15 budget and the Consent Agreement requires State Treasurer approval prior to overtime expenditures. An Order was issued May 20, 2015 requiring the Consultant to approve all requests for overtime

prior to authorization. This is another example of the township's inability to comply with the terms of the Consent Agreement.

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- A report issued by the Rehmann Group, the township's financial consultant, noted that the township must make budget adjustments of \$164,275 to its FY 15 general fund budget to account for expenditures exceeding revenues in FY 14. The township has adopted budget amendments with implementation pending.

Significant Actions/Issues

- The City of Detroit has declined to provide police services to the township. This is being reviewed with the City of Detroit. Proposals from the cities of Ferndale and Hazel Park have been determined to be too expensive. The Michigan State Police continues to provide police services to the township in the interim.

NEUTRAL EVALUATION

Highland Park

Financial Review Team Appointed: December 2, 2013

Financial Emergency Declared: January 30, 2014

P.A. 436 Option Selected: Neutral Evaluation

Recent Developments

- Treasury staff is continuing to monitor the city's lack of progress in complying with terms of a Loan Agreement dated September 23, 2014. There are concerns about the city's ability to successfully restructure finances and implement health insurance benefit cost reductions as planned in FY 15. In addition, failure to reach an agreement with DWSD resulted in a \$20M judgement levy against the city.
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- The DWSD Director has threatened to terminate water and sewer services if the city doesn't pay its arrearage and current charges. A Wayne Co. Circuit Judge issued a temporary restraining order on April 29, 2015 blocking DWSD's efforts to cut off water service to the city. The city was granted a stay on the \$20M judgement levy on June 3, 2015.
- On May 18, 2015, the City Council adopted a resolution requesting MDOT to pay for storm water drainage from the highways and freeways under MDOT's jurisdiction in the city.

Significant Actions/Issues

- Huron Consulting was retained to prepare a request for proposal to solicit firms to operate and maintain the city's water and sewer systems, as required by the city's Plan of Adjustment. The city received one proposal from Wade Trim by the submission deadline of May 4, 2015. This proposal is under review by the city and Treasury.

- The city's liabilities total \$117.6M. Some of the major components are: \$55.3M debt, including \$20.7M owed to the DWSD, \$17.7M pension bonds, and \$26.1M unfunded other post-employment benefits (OPEB) liabilities.
- Summary of the Plan of Adjustment for the City of Highland Park was adopted on August 28, 2014:
 - o The city must make major reductions to retiree healthcare benefit costs.
 - o In August 2015, an emergency loan of \$12M plus restructuring of \$4.8M existing loans will be requested by the city to refund \$2.7M in Fiscal Stabilization Bonds, \$5.2M in Financial Recovery Bonds, and \$3.7M in State Revolving Fund Bonds. The status of this request will be reviewed in the context of benchmarks the city committed to in their last emergency loan in September 2014.

OTHER COMMUNITIES

Wayne County

Recent Developments

- The Recovery Plan has been released to the public and Treasury has begun an analysis.
- On June 10, 2015, the county announced a settlement with retirees over health care benefits that is expected to save \$20K annually.

Significant Actions/Issues

- Cash reserves reached its lowest point in February 2014 with pooled cash falling to approximately \$22M. The August 2014 cash balance was approximately \$150M. This includes proceeds from a short-term borrowing of \$75M.
- The county's annual structural general fund deficit is approximately \$50M prior to any of the proposed remedial actions.
- The county's proposed restructuring is approximately \$50M.
- The preliminary results of the county's actuarial report indicate a drop in other post-employment benefits (OPEB) liability of approximately \$409M. This reduction is a result of the county choosing less expensive plans and implementing cost sharing measures (participants are paying a larger share). This does not include any saving opportunities resulting from a proposed change to retiree healthcare.
- The county is working to resolve a disagreement with the Mental Health Authority over services provided to jail inmates. The county currently pays for this service but believes it falls under the purview of the Authority.
- The county has not yet proposed a long-term solution to its jail problems.

From: Allard, Claire (GOV)
Sent: Tuesday, June 16, 2015 1:21 PM
To: Walsh, John (GOV)
Subject: FW: Local Government Update to State Treasurer/June 2015
Attachments: Gov LG Update 6-12-15.docx

FYI

Thanks,
Claire

From: Workman, Wayne (TREASURY)
Sent: Friday, June 12, 2015 2:12 PM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Roberts, John (DTMB); Allard, Claire (GOV); Khouri, Nick (TREASURY); Saxton, Thomas (Treasury); Storberg, Ann Marie (TREASURY); Gelisse, Ashley (TREASURY); Wisniewski, Wendy (GOV); Dempkowski, Angela (Treasury); Koryzno, Edward (Treasury)
Subject: Local Government Update to State Treasurer/June 2015

Attached is the periodic update on distressed local governments. If you have any questions, please call.

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: June 12, 2015
TO: Rick Snyder, Governor
FROM: Wayne Workman, Deputy State Treasurer
SUBJECT: Status of Financially Stressed Local Governments

EMERGENCY MANAGER

Lincoln Park

Emergency Manager: Brad Coulter

Appointed: July 3, 2014

Anticipated Exit: January 2016

Recent Developments

- The Police and Fire Pension Board elected to switch investment advisors to PNC. EM Coulter now expects better returns on pension assets.
- An actuarial analysis published on May 20, 2015 shows a further decline in pension funding, down to 23%. More conservative actuarial assumptions were used in this report.
- EM Coulter has modified retiree collective bargaining agreements to reduce healthcare benefits. These changes are to be implemented on July 1, 2015 and will reduce retiree healthcare costs from \$4.1M to \$600K annually.

Significant Actions/Issues

- FY 14 ended with a general fund accumulated deficit of \$736K, out of a total budget of \$21M. This is a significant increase from the FY 13 accumulated deficit of \$89K. Salient increases were in Public Safety - \$1.1M, Public Works - \$700K, and Culture and Recreation - \$600K.
- Voters rejected the Firefighters and Police Officers Retirement Act proposal last month by a 53% to 47% margin. Had it been approved, an additional \$3M annually would have helped fund fire/police pension and healthcare costs. EM Coulter is working to determine next steps.

Issues to Resolve before EM Exit

- Police CBAs must be finalized.
- Increase and stabilize pension funding levels.

FINANCIAL REVIEW COMMISSION (FRC)

Detroit

FRC Created: November 12, 2014

FRC Members: Nick Khouri, Bill Martin, Brenda Jones, Darrell Burks, John Roberts, Lorrion James, Mike Duggan, Stacy Fox, Tony Saunders

Recent Developments

- The first statutorily required biannual report on Detroit was filed by the Financial Review Commission (FRC). The report detailed the FRC's activities and formal requirements since its appointment in November 2014.
- At the May 18, 2015 FRC meeting, members approved various contracts and leases related to the Detroit Water and Sewerage Department transaction.
- The most intense work the FRC will perform going forward is measuring the effectiveness of restructuring initiatives in light of the large annual pension obligations the city will incur beginning in 2024.
- The City of Detroit Assessor's Office is currently conducting a multi-year project to reappraise all properties in Detroit, after the State Tax Commission found significant problems with property valuations. The reappraisal is scheduled to be completed in 2017.
- The next FRC meeting is scheduled for June 22, 2015.

Significant Action/Issues

- The city submitted its Four-Year Financial and Operating Plan (Plan) to the FRC in March. After reviewing the Plan and determining it was based on sound assumptions and met all statutory requirements, the FRC granted approval on April 20, 2015. The city's Plan encompassed the second year (FY 16) of Emergency Manager Orr's two-year budget and used this as its base year with no changes, plus three years (FY 17, FY 18, and FY 19).

RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB)

Allen Park

RTAB Appointed: September 26, 2014

RTAB Members: Suzanne Schafer, Joyce Parker, Fredrick Frank, Karen Barann

Recent Developments

- The city met with the police bargaining unit and is considering a one-year extension to the CBA. Treasury is investigating whether existing EM Orders would prohibit changes until after the CBA expires June 30, 2015.
- On May 15, 2015, an updated five-year budget projection from the city was received. Treasury is evaluating these projections.
- The city's FY 16 budget was approved by City Council on May 26, 2015 and approved by the RTAB on June 3, 2015. Treasury is evaluating the budget.
- The RTAB approved the hiring of a professional search firm to assist with finding qualified City Administrator candidates. Treasury will participate in the selection process.
- Completion of the bond tender process, delayed due to uncertainty involving the City Administrator position, is projected for July 2015.

Significant Actions/Issues

- RTAB membership will need to be increased due to potential loss of one member and concern about possible deadlocked votes with the current four-member board.
- In April, the RTAB approved creation of an Interim Deputy City Administrator position to oversee city operations until the bond tender and City Hall projects are complete. Mark Kibby, former City Manager of the City of Woodhaven, was appointed to this position.
- Litigation was filed by retirees challenging the EM's authority to reduce other post-employment benefit (OPEB) liabilities. A motion for summary disposition is pending. No date has been set to hear this motion.

Benton Harbor

RTAB Appointed: March 10, 2014

RTAB Members: Larry Steckelberg, Bret Witkowski, Marvin Raglon, Sharon Hunt

Recent Developments

- Former Benton Harbor Public Safety Director Roger Lange has brought a Whistleblower and Elliot Larson Civil Rights case against the City of Benton Harbor and former Emergency Manager Tony Saunders. The case was originally scheduled to be heard July 20, 2015, but is expected to be postponed due to a procedural appeal filed by the city.
- The city's Finance Director has accepted a position as CFO in the City of Flint. Her last day in Benton Harbor was June 5, 2015.
- The city's Deputy Finance Director, multiple Public Safety Officers, and two Public Works Department employees have resigned due to other employment opportunities.

Significant Actions/Issues

- On April 6, 2015, the City Commission passed resolutions adopting a procurement policy, investment policy, and a credit card policy.
- FY 14 audited general fund revenues exceed expenditures by \$1M, out of a total budget of \$6.1M.

Ecorse

RTAB Appointed: May 1, 2013

RTAB Members: Edward Koryzno, Robert Bovitz, Joyce Parker

Recent Developments

- On May 12, 2015, the RTAB approved a narrowly balanced FY 16 budget, though significant deficits are projected in future fiscal years. To balance the budget, the city increased an existing P.A. 33 levy by approximately 15 mills to fund employee pensions.
- The City Administrator has requested a new City Controller (third in six months), however; the RTAB rejected this appointment at the May meeting. The Mayor has submitted a letter of protest, disagreeing with this RTAB decision.
- The State Treasurer approved an RTAB recommendation to amend the final EM Order to provide RTAB oversight for all hiring and terminations.

Significant Actions/Issues

- The RTAB's Annual Evaluation for the Governor was not favorable, citing a lack of local financial literacy, political infighting, and an inability to develop a balanced multi-year budget. For these reasons, the removal of RTAB oversight cannot be recommended at this time.
- The city continues to have difficulty attracting qualified candidates and filling higher level administrative positions.
- Municipal Employee's Retiree System pension contributions are anticipated to increase from \$1.8M in FY 15 to \$2.4M in FY 16 due to accelerated funding for closed plans.
- The city has been unable to balance its five-year budget. Previous budgets project deficit spending in FY 16, and exhaustion of all resources in FY 17. To avoid this eventuality, significant expense reductions will be necessary in upcoming fiscal years.

Flint

RTAB Appointed: April 29, 2015

RTAB Members: Frederick Headen, Brian Larkin, David McGhee, Beverly Walker-Griffea, Robert McMahan

Recent Developments

- Legislation has been passed that will allow candidates who submitted petitions by April 28, 2015 to have their names placed on the August Primary ballot.
- Jodi Lundquist has accepted the employment offer as CFO.
- As a result of a recent review, the Executive Director of the State Tax Commission notified the city that it must maintain adequate assessment records in compliance with statute and State Tax Commission Rules, and must implement any corrective actions necessary. In addition, the city shall implement a full reassessment within a time frame agreed upon with the State Tax Commission. The city will be issuing an RFP for a reappraisal.
- The city continues to inform residents that it is in violation of the Clean Water Standards Act. Monthly testing is ongoing.
- The city is implementing Veolia recommended improvements to its water system, including water plant improvements, distribution system improvements, new policies and procedures, and better communication with customers. The city is installing a \$1.5M granulated active-charcoal filter to improve water quality. This filter installation will be completed in mid-July.
- On May 27, 2015, the city hired Echologics at a cost of \$895,850 to perform a leak detection study.

Significant Actions/Issues

- If the city loses a lawsuit over retiree healthcare, the EM's two-year budget does not assume an additional \$5M to \$6M annual expense which would result and which would grow at a rate equal to the general rise in healthcare costs.

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Date Executed: February 20, 2012

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Consent Agreement Consultant: N/A (P.A. 72)

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Consent Agreement Consultant: Robert Burgess

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From: Workman, Wayne (TREASURY)
Sent: Monday, October 05, 2015 12:16 PM
To: Snyder, Rick (GOV)
Cc: Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Scott, Allison (GOV); Khouri, Nick (TREASURY); Roberts, John (DTMB); Baird, Richard (GOV); Walsh, John (GOV); Redford, James (GOV); Khouri, Claire (GOV); Wisniewski, Wendy (GOV); Saxton, Thomas (Treasury); Koryzno, Edward (Treasury); Durfee, Sally (TREASURY)
Subject: Local Government Update
Attachments: Gov Memo Oct final.docx; 201508_436Summary.docx

This memo will serve as background for the Local Government briefing scheduled on October 8, 2015 at 9:15 am.

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: October 5, 2015

TO: Rick Snyder, Governor

FROM: Wayne Workman, Deputy State Treasurer

SUBJECT: Status of Financially Distressed Local Governments

SEPTEMBER

AUGUST

	Cities	Counties	Schools	Total	Cities	Counties	Schools	Total
Emergency Manager	1	0	3	4	1	0	3	4
Financial Review Commission	1	0	0	1	1	0	0	1
Receivership Transition Advisory Board	6	0	0	6	6	0	0	6
Consent Agreement	3	1	2	6	3	1	2	6
Neutral Evaluation	1	0	0	1	1	0	0	1

EMERGENCY MANAGER

Lincoln Park

Emergency Manager: Brad Coulter
Appointed: July 3, 2014
Anticipated Exit: January 2016

Recent Developments

- A collective bargaining agreement with the Technical and Professional Office Workers Association of Michigan was approved by the Treasurer and will be effective on November 1, 2015. The city eliminated retiree healthcare and reduced employee paid time off.
- On August 10, 2015, the Lincoln Park Retiree Associations filed suit against the State, Treasury, and the City of Lincoln Park regarding the reduction of city retiree healthcare.
- The city is contemplating a lawsuit against the pension funds' actuary for the full amount of the unfunded pension liability. The city believes that the actuary did not properly advise the city regarding long-term financial sustainability of the pension system. The city paid the required ARC each year yet the funding levels were reduced to critical levels.
- PA 345 pension system millage of six mills will be on the November 2015 ballot. This is the second time PA 345 is going before Lincoln Park voters.

- The city ended FY 15 with an estimated \$100K General Fund operating surplus. The city has a General Fund deficit from previous years. EM Coulter will be submitting a Deficit Elimination Plan to Treasury.
- Mathew Coppler, City Manager of Enfield, CT, accepted the position of City Manager, and began on September 29, 2015.

Significant Actions/Issues

- On August 11, 2015, EM Coulter submitted his four-month plan listing the priorities to be accomplished for the remainder of his term and beyond.
- EM Coulter has modified retiree collective bargaining agreements to reduce healthcare benefits. These changes were implemented in July 2015 and will reduce annual retiree healthcare costs from \$4.1M to \$600K.
- The May 2015 actuarial analysis showed pension funding at 23%.
- FY 14 ended with a General Fund accumulated deficit of \$736K, out of a total budget of \$21M. This is a significant increase from FY 13 (\$89K). Increases were in Public Safety- \$1.1M, Public Works- \$700K, and Culture and Recreation- \$600K.
- Voters rejected the Firefighters and Police Officers Retirement Act proposal by a 53% to 47% margin. Had it been approved, an additional \$3M annually would have helped fund fire/police pension and healthcare costs. EM is pursuing an alternative plan under provisions of PA 345 of 1927 to create a Board of Trustees to manage and operate the retirement system.

Issues to Resolve before EM Exit

- Increase and stabilize pension funding levels.
- Permanently eliminate structural deficit for future fiscal years.

FINANCIAL REVIEW COMMISSION (FRC)

Detroit

FRC Created: November 12, 2014

FRC Members: Nick Khouri, Bill Martin, Brenda Jones, Darrell Burks, John Roberts, Lorrion James, Mike Duggan, Stacy Fox, Tony Saunders

Recent Developments

- The city held its September consensus revenue estimating conference on September 17, 2015 and presented its report to the FRC. The estimates of major revenues are up slightly based on improvement in the FY 15 unaudited actuals. However, growth estimates remain conservative as the city wants to minimize risk in its budget. The city will formally update revenues again in February 2016 for use in its FY 17 - FY 20 four-year financial plan.
- As the city enters the testing phase for the Enterprise Resource Planning system in October 2015, the city is evaluating revisions to its project schedule and contract change orders. The city may present those changes to the FRC in October or November.
- The city is in negotiations with its bus drivers' union on a new labor contract, which will require FRC approval. When it is finalized, this will be the first collective bargaining agreement submitted to the FRC for review. The Mayor briefed the FRC in closed session at the September 28, 2015 meeting on his strategy and the details of this pending contract.

Significant Action/Issues

- The FRC filed its first statutorily required biannual report on Detroit on May 28, 2015. The report detailed the FRC's activities and formal requirements since its appointment in November 2014. The FRC will file its second biannual report in December.
- The city's four-year financial plan, approved by the FRC in April, encompassed the second year (FY 16) of Emergency Manager Orr's two-year budget and used that as its base year with no changes, plus three years (FY 17 - FY 19). The City will begin its FY 17 – FY 20 budget development process in October and November 2015. This will be the first budget since the EM's departure that the Mayor and City Council will develop and will be subject to FRC review and approval.
- At its September 28, 2015, the FRC approved its first statutorily required annual certification of the city's substantial compliance with its requirements under the Michigan Financial Review Commission Act.
- The City of Detroit Assessor's Office is currently conducting a multi-year project to reappraise all properties in Detroit, after the State Tax Commission found significant problems with property valuations. The reappraisal is scheduled to be completed in 2017.
- Beginning in January 2016, individual city income tax filers will file their Detroit city income taxes with Treasury instead of the city. Treasury plans to collect Detroit's corporate city income tax and universal withholding (pending approval of legislation) in 2017.

RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB)

Allen Park

RTAB Appointed: September 26, 2014

RTAB Members: Suzanne Schafer, Joyce Parker, Fredrick Frank, Karen Barann

Recent Developments

- On September 22, 2015, Judge Mark Boonstra of the Michigan Court of Claims, granted the state's motion to dismiss the lawsuit brought by retirees of the City of Allen Park who challenged changes made to their healthcare by former Emergency Manager, Joyce Parker. The retirees contested the ability of the EM to modify retiree healthcare under PA 72 of 1980. The judge ruled that by the time the change actually took place the EM was operating under PA 436 of 2012. The plaintiffs also attacked PA 436 of 2012 claiming it was unconstitutional. Judge Boonstra stated that the claim met none of the tests necessary to support a charge of unconstitutional vagueness.
- The City Council offered Acting Assistant City Administrator Mark Kibby the position of City Administrator at its September 22, 2015 meeting. The RTAB will consider this appointment at its October 7, 2015 meeting.
- The bond tender extension expired on October 1, 2015. \$11.21M or 42.56% of the bonds were tendered. The city has accepted all tendered bonds subject to the conditions of the invitation.
- Treasury has been informed that Joyce Parker announced her resignation from the RTAB, effective October 31, 2015. Potential replacements are being considered.
- The city will be going to arbitration with the fire union over resolution of terms that were inadvertently inserted into the signed contract from an earlier draft. These terms were not

in the Tentative Agreement signed between the city and the union but included in the final copy signed by Emergency Manager Parker, prior to her departure. The city has been trying to resolve this issue for months. Treasury continues to monitor these developments.

- The city switched to a new provider for retiree health insurance coverage on October 1, 2015, after being informed by Blue Cross that a 23% rate increase of \$644K was being levied. The RTAB approved this request and the city attorneys believes that there are no legal ramifications with retirees if coverage is changed to a new provider.

Significant Actions/Issues

- At its September meeting, the RTAB affirmed the city's approval of a new four-year collective bargaining agreement with the clerical and public works bargaining units. Treasury reviewed the tentative agreements and identified over \$40K in increased costs in Year 1.
- A retired city employee has brought a breach of contract and age discrimination lawsuit against the city. The city's insurance policy covers only a small portion of the alleged damages. The City Council approved an agreement that was achieved during court-ordered mediation. The agreement will require the city to pay \$600K (from the budgeted Contingency Fund). The RTAB approved this agreement at its September 2, 2015 meeting.
- The city received a \$1.2M Staffing for Adequate Fire and Emergency Response Grant, which will allow them to retain six firefighters over the next two years.
- Litigation was filed by retirees challenging the EM's authority to reduce other post-employment benefit (OPEB) liabilities. A motion for summary disposition is pending. No date has been set to hear this motion.

Benton Harbor

RTAB Appointed: March 10, 2014

RTAB Members: Larry Steckelberg, Bret Witkowski, Marvin Raglon, Sharon Hunt

Recent Developments

- The Assistant City Manager/Community and Economic Development Director, Marja Winters, will be stepping down in November due to family reasons. She is currently assisting the city in finding a replacement.
- Benton Harbor is hiring the MML to do an executive search for a new finance director. Treasury is assisting Benton Harbor with cost of the search.

Significant Actions/Issues

- On August 3, 2015, the City Commission adopted a resolution requesting a hearing with the Department of Treasury to discuss financial assistance for decisions made during the tenure of emergency managers that resulted in legal fees and settlement costs. Treasury will be inviting the Mayor and City Manager to meet in Lansing to discuss issues facing the city.
- The city received notification from the Department of Labor in 2014 of a wage claim filed with their department, in relation to a contract addendum to the Public Safety Collective Bargaining Agreement. City staff and legal counsel have worked with the U.S. Department of Labor to facilitate a settlement to this claim. There are two parts to the settlement: 1) correction of wages going forward; and 2) correction of back wages from the inception of the addendum. The two parts total \$19K. The City Commission

approved the settlement at its August 3, 2015 meeting. The RTAB approved the settlement on August 11, 2015.

- The first annual evaluation from the RTAB was conducted on July 29, 2015. It will be sent to the RTAB for review.
- Former Benton Harbor Public Safety Director Roger Lange brought a Whistleblower and Elliot Larson Civil Rights case against the City of Benton Harbor and former EM Tony Saunders. Mediation took place on July 17, 2015, with Jon March of Miller Johnson serving as the mediator. No settlement was reached.

Ecorse

RTAB Appointed: May 1, 2013

RTAB Members: Edward Koryzno, Robert Bovitz, Joyce Parker

Recent Developments

- Treasury has been informed that Joyce Parker announced her resignation from the RTAB, effective October 31, 2015. Potential replacements are being considered.
- The degree of State oversight may be reduced if the city can convincingly show a commitment to the cost saving measures they have proposed.
- The City's new full-time controller, Tim Sadowski has replaced the previous part-time contracted controller.
- On September 22, 2015, the City Manager reported that the new controller is revising the current budget and 5-year financial plan. It was discovered that the baseline was inaccurate, according to the City Manager. Treasury will be analyzing the budget and financial plan and discussing issues with the city. One challenge includes reducing fire service costs, which must be realized soon to keep the financial plan solvent._

Significant Actions/Issues

- The city continues to have difficulty attracting qualified candidates and filling higher level administrative positions.
- Municipal Employee's Retiree System pension contributions are anticipated to increase from \$1.8M in FY 15 to \$2.4M in FY 16 due to accelerated funding for closed plans.
- On May 12, 2015, the RTAB approved a narrowly balanced FY 16 Budget. To balance the budget, the city increased an existing P.A. 33 levy by approximately 15 mills.

Flint

RTAB Appointed: April 29, 2015

RTAB Members: Frederick Headen, Brian Larkin, David McGhee, Beverly Walker-Griffiea, Robert McMahan

Recent Developments

- On August 7, 2015, a Genesee Circuit Court lawsuit, *Shears v. Flint*, invalidated a previous 35% increase in water and sewer rates, reverting back to 2011 rates. This injunction also requires the city to repay \$15.7M from the General Fund to the Water Fund, prevents the city from collecting certain past due water bills, and from disconnecting water service for nonpayment. The City has estimated that this injunction could potentially cost the General Fund \$50M. Thus far, the city's appellate efforts have not been successful. Most recently, Judge Archie Hayman certified *Shears v. Flint* as a class action.

- As a result of Shears v. Flint decision which required the city to roll back water rates by 35%, the Finance Director on October 1, 2015 estimated that revenue has decreased by \$666K per month and projects a loss of \$6.6M for the remainder of the fiscal year. In addition for the period of August 10, 2015 thru September 2, 2015, the city has realized \$1.75M less in cash receipts as the same period last year due to a decrease in payment activity.
- Separate litigation was held that Emergency Manager Mike Brown had no statutory authority to later ratify water and sewer rate increases from May of 2012. The city filed an appeal to the Michigan Supreme Court, but the court did not address the appeal because the city missed the filing deadline by one day. The case has been remanded back to Genesee County Circuit Court to resolve some outstanding matters. Treasury is discussing the need for additional legal representation with the city.
- Concerns have been raised about the amount of lead in the city's water system after a study by Virginia Tech University suggests that the amount is much higher than standard testing shows. The city is in compliance with state and federal lead standards but will be adding a corrosion inhibitor into the treatment process to reduce the amount of lead leaching into the system. The city is also providing free and independent water quality testing to residents. Treasury is monitoring this issue closely.
- Mayor Walling has issued a letter to the State requesting \$20M in funds to assist the city in making needed capital improvements to its water system plus another \$10M to address the issue of lead leaching into the system.
- On September 11, 2015, Genesee County Circuit Court dismissed a case (*Coalition for Clean Water v City of Flint*) to force the city to purchase water from the City of Detroit.
- The RTAB approved ballot language for the renewal of the Regional Flint Mass Transportation Authority millage. The proposed renewal is for five years at the current 0.6 mills per year and will appear on the November 2015 ballot.
- The Economic and Community Development Director resigned in August 2015. Current staffing vacancies also include the Treasurer and the Human Resources Director.
- As a result of a recent review, the State Tax Commission notified the city it must maintain adequate assessment records in compliance with statutes and State Tax Commission Rules, and must implement any corrective actions necessary. In addition, the city shall implement a full reassessment within a time frame agreed upon with the State Tax Commission. The city has issued an RFP and is reviewing the proposals.
- The city has been informed they no longer need to inform residents that it is in violation of the Clean Water Standards Act. Results from the first monthly test, since the installation of the granulated active-charcoal filter, showed that the city is in compliance with the federal Drinking Water Act. The city hired Echologics at a cost of \$895,850 to perform a leak detection study. This project commenced in August 2015 and is approximately 1/3 complete.

Significant Actions/Issues

- Genesee County 911 assumed dispatch responsibilities for city police and fire on August 17, 2015. This merger was approved in 2014 and is expected to save the city \$1M per year.
- On August 12, 2015, the RTAB approved a transfer of \$323K from the Fire Department to the Police Department to hire five additional patrol officers. The city has initiated a hiring process.

- The KWA pipeline is expected to be completed in June 2016. The two pump stations are approximately 75% complete and the intake is completed.
- The city is implementing Veolia recommended improvements to its water system, including water plant improvements, distribution system improvements, new policies and procedures, and better communication with customers. The city installed a \$1.5M granulated active-charcoal filter to improve water quality. All twelve filters are installed and are in use.
- If the city loses a lawsuit over retiree healthcare, the EM's two-year budget does not assume an additional \$5M to \$6M annual expense.

Hamtramck

RTAB Appointed: December 18, 2014

RTAB Members: Deborah Roberts, Mark Stema, Cathy Square, Karen Young

Recent Developments

- The city is undertaking a \$6M sewer infrastructure improvement project which is eligible for State Revolving Fund monies. The project will reduce storm water inflow into sanitary sewers. Certain rehabilitation elements of the project will commence on October 15, 2015 and conclude in spring 2016. The sewer relief portion will begin in December 2015 and will be completed next summer.
- The city is pursuing a third party police study which will help administrators review options for reducing costs and providing more efficient service.
- The contractor Tyler Technologies is reassessing all residential and commercial properties.

Significant Actions/Issues

- The City Council adopted the FY 16 Budget on June 17, 2015. The RTAB approved this action on June 23, 2015. The city has also developed a long-term capital improvements plan.
- A suit was filed in federal court by Hamtramck retirees over changes to healthcare benefits made in October 2014. The potential exposure to the city is currently unknown.
- The annual pension liability is anticipated to increase from \$3.5M in FY 15 to \$4.3M by FY 19. This increase is a result of closing certain pension plans and the Michigan Employee's Retirement System (MERS) policy of accelerating the required contribution for closed plans. The increases were included in the EM's two-year budget.

Pontiac

RTAB Appointed: August 19, 2013

RTAB Members: Edward Koryzno, Louis Schimmel, Keith Sawdon, Robert Burgess

Recent Developments

- On September 14, 2015, the City Council approved Jane Bais-DiSessa for the position of Deputy Mayor. The RTAB approved this appointment on September 16, 2015.
- On July 6, 2016, Oakland County Circuit Court Judge Michael Warren dismissed the lawsuit filed by the city against Ottawa Towers LLC/ Phoenix Center. Treasury is working with the city to move forward with the sale to a private operator which could free up \$2M in demolition funds.

Significant Actions/Issues

- On August 19, 2015, the RTAB approved filling the positions of Customer Service Representative and Community Relations Specialist. These positions will assist the Mayor with community and economic development activities.
- Per the city's FY 14 audit, the General Fund accumulated fund balance is approximately \$5M out of a total budget of \$27M.
- The city lost a decision at the Michigan Court of Appeals which may make it liable for a \$3.5M payment to the Police and Fire VEBA. The city requested reconsideration but was denied. In May, the RTAB approved the city's request to appeal to the MI Supreme Court.
- The City of Pontiac Retired Employees Association v. City of Pontiac lawsuit (in U.S. District Court) was reassigned from Judge Lawrence P. Zatkoff to Judge Avern Cohn. The lawsuit challenges former EM Schimmel's elimination of retiree healthcare and replacement with an annual stipend. The General Employees Retirement System Pension Fund is significantly overfunded and the parties are exploring options to use the overfunded portion to fund retiree healthcare. Mediation is taking place under the supervision of Eugene Driker.

CONSENT AGREEMENT

Inkster

Date Executed: February 20, 2012

Consent Agreement Consultant: Mark Stuhldreher

Recent Developments

- On June 29, 2015, a tentative agreement was reached with Wayne County to place a judgment levy on the tax rolls. The levy would run for five years and repay the county \$4.9M in past due sewer charges. The city is in discussions with Wayne County to postpone the levy until July 2016.
- On August 18, 2015, the Michigan Court of Appeals ruled (Trahey v City of Inkster) that the trial court erred in determining the city's 2012 water and sewer rates were unreasonable and ordering the city to issue \$2.55M in credits to residents for reduced water and sewer rates. The city is evaluating this decision.
- The city is collaborating with MSHDA and MEDC to seek new housing developments and development of several vacant commercial parcels. Inkster Police and the city will be utilizing an accumulation of training dollars to train police personnel and staff going forward.

Significant Actions/Issues

- On May 18, 2015, City Council approved the FY 16 Budget.
- On August 3, 2015, the City Council voted to change the employment status of City Manager, Richard Marsh to Special Advisor to the city. The City Council named City Treasurer, Mark Stuhldreher to the position of Interim City Manager. A search firm will conduct a national search to fill the City Manager's position.
- On April 20, 2015, the city adopted a working capital reserve policy for the Water and Sewer Fund which will provide funds for emergency situations.
On June 29, 2015, an Order was issued requiring the City Treasurer to approve all employment matters with city officials and employees, expenditure of funds, and all contracts.

- William Riley is Inkster's new Police Chief. Mr. Riley's start date was August 10, 2015. The new chief has been reaching out to community groups and the neighborhoods, and is fully engaged.

River Rouge

Date Executed: December 15, 2009

Consent Agreement Consultant: N/A (P.A. 72)

Significant Actions/Issues

- A fire union collective bargaining agreement was approved in March, resulting in a reduction in healthcare costs.
- The city adopted its FY 16 Budget on May 19, 2015. The budget is balanced and has a beginning fund balance of \$1,967,613. The city has prepared a proposed five-year budget that shows a deficit in FY 18 to FY 20 unless additional revenues can be found.

Royal Oak Township

Effective Date: April 21, 2014

Consent Agreement Consultant: Robert Burgess

Recent Developments

- The Township Board voted to extend the Consent Agreement Consultant's contract through March 31, 2016.
- The Consent Agreement Consultant, Treasury, and the Michigan State Police met with Oak Park City Manager on September 21, 2015 to discuss the city providing police services to the township.
- A six-month plan has been developed by Consent Agreement Consultant Robert Burgess, listing the priorities for the next several months. Treasury has been offering assistance to the consultant in implementing the plan's priorities.

Significant Actions/Issues

- On August 4, 2015, voters approved a renewal of 4.5 mills for general operations.
- On June 17, 2015, an Order was issued granting the Consultant broad authority to approve expenditures made by the township and ensure that obligations are being paid. The Order also gives the Consultant authority to invest the \$620K in reimbursed retirement assets with MERS.
- The Michigan State Police continues to provide police services to the township.
- The township audit was completed. Auditors recommend the township submit a Deficit Elimination Plan for 2014, select a firm to advise the township on financial matters, and perform an inventory of assets.

- Treasury learned that the Township Supervisor was regularly authorizing overtime for employees, though overtime was not included in the FY 15 Budget and the Consent Agreement requires State Treasurer approval prior to overtime expenditures. On May 20, 2015, an Order was issued requiring the Consultant to approve all requests for overtime prior to authorization.

Wayne County

Recent

- On September 15, 2015, the County Deputy Chief Financial Officer submitted a cash flow forecast as required by the Consent Agreement. It is under review by Treasury staff.
- AFSCME Council 25 attempts to block any changes to the terms and conditions of employment has failed at the state courts. On September 15, 2015, AFSCME filed a Motion for a Temporary Restraining Order to prevent changes to the terms and conditions of employment in Federal Court but it has not yet been granted. The County has filed a request with the United States District Court to deny the Temporary Restraining Order and to dismiss the lawsuit. No decision has been made.

Significant Actions/Issues

- On August 21, 2015, the County Board approved the Consent Agreement negotiated between the County Executive and State Treasurer.
- On June 10, 2015, the county reached a settlement with retirees on healthcare. The county will no longer provide health insurance but will instead provide a stipend to retirees. This will result in a savings of \$20M annually.
- The county's annual structural General Fund deficit is approximately \$52M prior to any of the proposed remedial actions.
- The county's proposed restructuring is approximately \$53M in General Fund savings, \$25M of which comes from changes to pension and healthcare benefits for active employees and healthcare benefits for retirees.
- The county has not yet proposed a long-term solution to its jail problems.

NEUTRAL EVALUATION

Highland Park

Financial Review Team Appointed: December 2, 2013

Financial Emergency Declared: January 30, 2014

P.A. 436 Option Selected: Neutral Evaluation

Recent Developments

- On August 11, 2015, a report was issued by Meadowbrook Insurance on the progress of reducing the city's healthcare costs. When successfully implemented after October 1, 2015, the \$1.4M annual cost of healthcare could be reduced to \$630K.
- On August 24, 2015, City Council gave conditional approval to the settlement agreement between the city and DWSD over past due water and sewer bills. However, the city is waiting for a response from DWSD on other issues.
- The second phase of emergency loans is under discussion. It would consist of approximately \$4.7M to restructure the city's three outstanding emergency loans and \$11.5M to refinance outstanding debt.

- The city has purchased the first quantity of water meters at a cost of \$343K. Meter installation is underway.
- Wade Trim, the firm hired by Highland Park to manage the water and sewer operations, processed the first regular water and sewer bills to customers on August 13, 2015.

Significant Actions/Issues

- On June 29, 2015, City Council approved a substantial increase in water and sewer rates which will allow the city to fund water and sewer operations.
- On July 6, 2015, Wade Trim began duties to operate and maintain the water and sewer systems.
- Louis Schimmel was hired on June 29, 2015, to provide consulting services regarding water and sewer issues.
- On July 31, 2015, the water and sewer amnesty program expired. City Administrator Cathy Square stated the city will work with customers to settle their past due accounts.
- On May 18, 2015, the City Council approved a resolution requesting MDOT to pay for storm water drainage from the highways and freeways under state jurisdiction in the city. The City Administrator has indicated that the city has filed suit against both MDOT and Wayne County over storm water.
- On May 18, 2015, City Council approved a consultant's recommendation for an amnesty plan for residential customers to pay arrearage amounts owed to the city. The consultant has determined that if all customers take advantage of the amnesty plan, the city could collect \$2.08M. The city extended the amnesty plan until July 31, 2015 to allow more time for customers to pay past due accounts.
- The city's liabilities total \$99.9M. Some major components are: \$55.3M debt, including \$20.7M owed to the DWSD, and \$26.1M unfunded other post-employment benefits (OPEB).

EMERGENCY MANAGER - MUNICIPALITIES				
Unit of Government	Current Emergency Manager	Initial Appointment Date	Target Exit Date	Notes
City of Lincoln Park	Brad Coulter	July 3, 2014	January 2016	FY 15 ended with an estimated \$100K general fund operating surplus. Will submit DEP. Actuarial analysis published on 5/20/15 shows further decline in pension funding down 23%. Mathew Coppler, City Manager of Enfield, Connecticut accepted position of City Manager.
FINANCIAL REVIEW COMMISSION (FRC) – MUNICIPALITIES				
Unit of Government	Board Members	Appointment Date	Target Exit Date	
City of Detroit	Nick Khouri, John Roberts, Bill Martin, Mike Duggan, Brenda Jones, Darrell Burks, Lorrion James, Stacy Fox, Tony Saunders	November 12, 2014	NA	City held its bi-annual revenue estimating conference on 9/17/15 and submitted report to FRC on 9/28/15. Mayor Duggan briefed the FRC on 9/28/15 in closed session on his strategy and details of the pending collective bargaining agreement with the city's bus drivers.
RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB) - MUNICIPALITIES				
Unit of Government	Board Members	Appointment Date	Target Exit Date	Notes
City of Allen Park	Suzanne Schafer, Joyce Parker, Fredrick Frank, Karen Barann	September 26, 2014	NA	4-year CBA with police approved by Council and the RTAB despite concerns in increased costs. (RTAB vote was 2-1 to approve). RTAB approved 5-year financial plan on 5/15/15. Bond Tender extension expired on 10/1/15. \$11.21M of bonds were tendered.
City of Benton Harbor	Larry Steckelberg, Bret Witkowski, Marvin Raglon, Sharon Hunt	March 10, 2014	NA	Commission requested a hearing to discuss financial assistance re EM decisions made that resulted in legal fees and settlement costs. Former Public Safety Director brought Whistleblower and Elliot Larson Civil Rights case against the city. Mediation took place on 7/17/15, no settlement reached.
City of Ecorse	Edward Koryzno, Robert Bovitz, Joyce Parker	May 1, 2013	NA	Balanced 5-year financial plan completed. Difficult changes must be realized to comply. RTAB approved balanced FY 16 Budget on 5/12/15.

Public Act 436 of 2012 Summary

MUNICIPALITIES

City of Flint	Frederick Headen, Brian Larkin, David McGhee, Beverly Walker-Griffa, Robert McMahan	April 29, 2015	NA	As a result of lawsuit decision, city estimates that revenue will decrease by \$666K per month and projects a lost \$6.6M for remainder of the fiscal year. The injunction requires city to repay \$15.7M from the General Fund to the Water Fund. KWA pipeline expected to be completed in June 2016.
City of Hamtramck	Deb Roberts, Mark Stema, Karen Young, Cathy Square	December 1, 2015	NA	Undertaking a \$6M sewer infrastructure improvement project which is eligible for State Revolving Fund Monies. Project will reduce storm water inflow into sanitary sewers.
City of Pontiac	Edward Koryzno, Louis Schimmel, Keith Sawdon Robert Burgess	August 19, 2013	NA	On 9/16/15, City Council approved Deputy Mayor hire. City lost Supreme Court ruling to demolish Phoenix Center. Treasury working with city to move forward with sale to private operator which frees up \$2M in demolition funds. FY 16 Budget and 2015 tax rates approved by RTAB on 6/26/15.
CONSENT AGREEMENT - MUNICIPLITIES				
Unit of Government	Treasury Representative/Consultant	Date Executed	Term of Consent Agreement	Notes
City of Inkster	Mark Stuhldreher, Interim City Manager and City Treasurer/Finance Director	February 20, 2012	N/A	On 8/3/15, City Council voted to change the employment status of the City Manager to Special Advisor. Mark Stuhldreher appointed interim City Manager. Tentative agreement w/ Wayne County for judgement levy on tax rolls. Levy to run for 5 years and repay county \$4.9M in past due sewer charges. Collaborating with MSHDA and MEDC to seek new housing developments and development of several vacant commercial parcels.
City of River Rouge	N/A (P.A. 72)	December 15, 2009	N/A	FY 16 Budget adopted on 5/19/15. Proposed 5-yr budget shows a deficit in FY 18 to FY 20 unless additional revenues can be found.
Royal Oak Township	Robert Burgess	April 21, 2014	October 31, 2017	On 8/3/15, voters approved a renewal of 4.5 mills for general operations. Order issued on 6/17/15 granting the Consultant broad authority to approve expenditures made by the township to ensure obligations are being paid.
Wayne County				On 9/15/15, AFSCME filed motion for temporary restraining order to prevent changes to terms and conditions of employment in Federal Court. County filed request with US District Court to deny the temporary restraining order and dismiss lawsuit. No decision has been made.

				On 6/10/15, county reached settlement with retirees on healthcare to provide stipend in lieu of health insurance.
NEUTRAL EVALUATION - MUNICIPALITIES				
Unit of Government	Financial Review Team Appointed	Financial Emergency Declared	Date Option Selected	Notes
City of Highland Park	December 2, 2013	January 30, 2014	May 1, 2014	Wade Trim began operating and maintaining water and sewer systems on 7/6/15. 2 nd phase of emergency loans tentative for 9/24/15 – \$4.7M to restructure 3 outstanding loans and \$11.5M to refinance outstanding debt. On 6/29/15, Council approved substantial increase in water/sewer rates.
OTHER COMMUNITIES - MUNICIPALITIES				
City of Melvindale * City of Wayne *				
EMERGENCY MANAGER - SCHOOLS				
Unit of Government	Emergency Manager	Appointment Date	Target Exit Date	Notes
Detroit Public Schools	Darnell Earley	January 13, 2015	April 2016	Sodexo expected to petition for judgment levy for unpaid balance of \$26M. Hired a Deputy Superintendent of Finance and Operations. Continues to work on long-term strategy with E&Y/ Parthenon. Weekly meetings to monitor critical cash, shortfall of approximately \$78M for FY16. ORS delinquencies growing to approximately \$95.7M; reached agreement at \$750k per month and submit a plan to resolve balance due by October 2016. Pupil count projected to decline by 848 from 47,098 in FY 14-15 to 46,250 in FY 15-16.
Highland Park School District	Donald Weatherspoon	April 15, 2015	October 2016	Beginning in September 2015, DPS provides for educational services for grades 9-12. Renewal of non-homestead millage is scheduled for November 2015. Pupil count projected to decline by 40 students from 580 in 2014-15 to 540 in 2015-16.
Muskegon Heights School District	Steven Schiller	April 15, 2015	October 2016	Completed transition from Mosaica to ISD. ORS payments continue to go only towards interest payments, leaving the principal amount due

				untouched. Pupil enrollment projected to decline by 80 from 902 in 2014-15 to 822 in 2015-2016.
CONSENT AGREEMENT - SCHOOLS				
Unit of Government	Consultant	Appointment Date	Target Exit Date	Notes
School District of City of Pontiac	Donald Weatherspoon	October 15, 2013	September 2015	District expects to place before voters in March 2016 non-homestead millage, the same date as the Republican Presidential Primary. District expects to place before voters in May 2016 a 2.87 mill, 5-year sinking fund ballot measure. In August, a similar measure failed by less than 120 votes. Pupil count projected to decline by 14 from 4,329 in 2014-15 to 4,315 in 2015-16.
Benton Harbor Schools	Cynthia M. LaGrow	November 18, 2014	November 2016	Hired new CFO. Formally dismissed suspended superintendent and entered into a settlement agreement. Pupil count projected to decline of 101 from 2,428 in 2014-15 to 2,327 in 2015-16. Transitioned from Plante Moran to Berrien RESA for essential office admin support.
SCHOOLS WATCH LIST				
With the passage of 2015 PAs 109-111, Treasury is expected to have authority over the following deficit districts. * Flint * Hazel Park * Westwood * Mt. Clemens * Bridgeport Spaulding * Clintondale * New Haven * Vanderbilt * Southgate *				

From: Walsh, John (GOV)
Sent: Monday, January 26, 2015 8:02 AM
To: Priest, Chris (GOV); Brownfield, Michael (GOV)
Cc: Hall, Jean (GOV)
Subject: FW: Draft Priorities list
Attachments: 2015 Priorities draft v1.1 150124.docx

Gentlemen - We have our work cut out for us.

Please see the attached. I am asking Jean to set time for the three of us to review and parcel out responsibilities.

-----Original Message-----

From: Snyder, Rick (GOV)
Sent: Saturday, January 24, 2015 11:18 AM
To: Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Calley, Brian (GOV); Walsh, John (GOV); Agen, Jarrod (GOV); Posthumus, Dick (GOV)
Cc: Scott, Allison (GOV)
Subject: Draft Priorities list

Please find attached a draft list of 2015 priorities for your review and comment.

At least we can't be accused of slowing down in term two. Dog years are alive and well!

Thanks
Rick

Top Priorities

Redacted

Messages/Summits

Redacted

Legislative Priorities

Redacted

Executive Branch Priorities

Redacted

Local Priorities

Redacted

36. Flint water system


Redacted

Redacted

Redacted

From: Walsh, John (GOV)
Sent: Monday, July 27, 2015 5:34 PM
To: Hall, Jean (GOV)
Subject: FW: updated Priorities listing
Attachments: 2015 Priorities draft v1 5 150128.docx

From: Scott, Allison (GOV)
Sent: Wednesday, January 28, 2015 4:32 PM
To: Snyder, Rick (GOV)
Cc: Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Walsh, John (GOV); Agen, Jarrod (GOV)
Subject: updated Priorities listing



2015 Priorities
January 24, 2015

Top Priorities Lead (inside/outside) Deliverable date

Redacted

Messages/Summits

Redacted

Legislative Priorities

Redacted

Executive Branch Priorities

Redacted

Redacted

Local Priorities

Redacted

45. Flint water system

DW

Redacted

Federal Priorities

Redacted

Trips (SA)

Redacted

Other (JW)

Redacted

Message

From: Clayton, Stacie (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=CLAYTONS3]
Sent: 11/12/2015 11:26:12 AM
To: Stoken, Laura (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=JESSL]
CC: Wisniewski, Wendy (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Siegelw]
Subject: RE: City of Flint Restoration

Thank you, Laura.

Stacie

From: Stoken, Laura (GOV)
Sent: Thursday, November 12, 2015 11:10 AM
To: Wisniewski, Wendy (GOV) <wisniewski@michigan.gov>; Clayton, Stacie (GOV) <claytons3@michigan.gov>
Subject: FW: City of Flint Restoration

Forwarding to both of you as this came into the Governor's public facing box but appeared to go to DM and HH as well.....

From: Rep. Sheldon Neeley (District 34) [<mailto:SheldonNeeley@house.mi.gov>]
Sent: Thursday, November 12, 2015 10:42 AM
To: Snyder, Rick (GOV) <[REDACTED]>
Cc: Muchmore, Dennis (GOV) <muchmored@michigan.gov>; Hollins, Harvey (GOV) <hollinsh@michigan.gov>
Subject: City of Flint Restoration

Please review the attached letter.

Thank you.

Sheldon

From: Lukasik, Liz (GOV)
Sent: Thursday, November 12, 2015 4:03 PM
To: Stoken, Laura (GOV); Hall, Jean (GOV)
Subject: RE: Current Flood Emergency - McNeil Technologies, Inc. to Governor Rick Snyder

Laura,

Sara McCauley spoke to Mary Beth Thelen in DEQ. DEQ is handling it (in regards to the contract). If it comes back around to us DEQ will let us know.

Thank you!

Liz

From: Stoken, Laura (GOV)
Sent: Thursday, November 12, 2015 3:31 PM
To: Hall, Jean (GOV) <hallj16@michigan.gov>
Cc: Lukasik, Liz (GOV) <LukasikL@michigan.gov>
Subject: FW: Current Flood Emergency - McNeil Technologies, Inc. to Governor Rick Snyder

I'm not sure who this should go to? IS this something Strategy should be getting?

Thanks,

Laura

From: Ronald McNeil [REDACTED]
Sent: Thursday, November 12, 2015 3:30 PM
To: Snyder, Rick (GOV) <[REDACTED]>
Cc: [REDACTED]
Subject: Fwd: Current Flood Emergency - McNeil Technologies, Inc. to Governor Rick Snyder

Good Day Governor Rick Snyder,

Please confirm receipt of the attached Request to assist Flint, Michigan and surrounding areas in assessing and solving the current flood emergency.

Please provide the correct point of contact information for instructions and a better understanding of this process and how to work in tandem with your office.

Kindest Regards,
Ron McNeil
McNeil Technologies, Inc.

From: Snyder, Rick (GOV)
Sent: Tuesday, January 05, 2016 3:16 PM
To: Stoken, Laura (GOV)
Subject: FW: Mattawan Wetland Dump
Attachments: WasteRemoval.wmv

From: [REDACTED]
Sent: Wednesday, December 30, 2015 2:38 PM
To: Snyder, Rick (GOV); [REDACTED]; Snyder, Rick (GOV); [REDACTED] Calley, Brian (GOV); [REDACTED]
Subject: FW: Mattawan Wetland Dump

Governor Snyder,

Below is an email thread covering some of the topics provided to you earlier along with an enclosed video of suspected hazardous waste being removed -- start from the bottom. The emails thoroughly explain the situation. More to follow. I hope to hear from you soon.

Respectfully,

[REDACTED]
Mattawan

From: [REDACTED]
Sent: Tuesday, October 27, 2015 1:11 PM
To: wyantd@michigan.gov; hedman.susan@epa.gov; OIG_WEBCOMMENTS@epa.gov; edwardsm@vt.edu
Cc: 'Feighner, Bryce (DEQ)' <FEIGHNERB@michigan.gov>; 'Nate Fuller' <fuller@swmlc.org>; 'Sellers, Fred (DEQ)' <SELLERSF@michigan.gov>;
Subject: Mattawan Wetland Dump

Dear Mr. Wyant,

The series of emails you received from me over the last few weeks hopefully explains our situation compared to Flint regarding the similarities as to how water complaints are handled in Michigan. In both situations, the agency used tactics designed to bully the complainants and attempt to downplay the potential for hazardous pollutants. My intent is to make you fully aware of the ineffectual culture of the MDEQ, from my perspective.

The emails below were sent to Fred Sellers and other MDEQ agents at the Kalamzoo district office during our three year ordeal. They depict our concerns and frustration as to how the wetland dump complaints were handled. Enclosed as an attachment to this email is a video taken of a suspected hazardous waste pile being removed from site. I mentioned this video in my last correspondence to you. It was sped up for brevity. This particular pile was hastily taken off-site while the remaining waste stayed in place for months after. For clarity, during the evacuation of waste from the wetland dump location, the owner would take select items and place them in the pile at the rear of his property then use his tractor to cover with dirt. While it was happening, I asked the MDEQ to come out and investigate and was ignored. Then at a later

date, I witnessed a crew of three hastily removing the pile. I immediately contacted the MDEQ and asked for a field agent to come out and investigate before the pile was removed and again was ignored.

Completely frustrated, I complained to Sellers about being ignored and explained to him that they missed an opportunity to validate that hazardous waste was indeed disposed in the dump. (Keep in mind this was after being ignored about the fuel spills.) He justified his fumbling by telling me I should consider the hazardous waste removal as a victory. I told Sellers removing the waste off-site was not the issue; I further stated that if they would have investigated both the fuel spills and the hazardous waste pile then it would have helped to validate what was actually in the dump and provide additional data that would assist with the soil sampling strategy. But as I said from the beginning of this email series Sellers did not want to find contaminants.

Again Mr. Wyant, what ties our issue to the Flint situation is the arrogance of the MDEQ when dealing with legitimate complaints from the public. The subterfuge employed by MDEQ staff is appalling and the lengths they will go to cover that subterfuge does not bode well for your agency.

The last video I sent a few days ago showed the so-called soil sampling from the evacuated waste piles – light versus dark soils. In the next few days I'll send a video showing the actual sampling of the wetland dump site.

Respectfully,

[REDACTED]

From: [REDACTED]

Sent: Wednesday, May 28, 2014 12:24 PM

To: SELLERSF@michigan.gov

Cc: brownlee@michigan.gov; jeffe@vbcassdhd.org; JORDANK@michigan.gov

Subject: FW: dumping complaint

Fred,

This is in response to the email below:

How are you defining progress from Mr. Rininger? In the past 20 months he removed 6 barrels off site - according to video about 1 hour of work. Next, he cleaned up what we believe to be an area of hazardous waste. Again, based on video, approximately 6 hours of work. This is not progress Fred this is him dragging his feet. So essentially, we have less than one 8 hour day of work in 20 months – this is progress?

Next, let's look at a few pictures for comparison purposes. You stated that Katie did not see evidence of hazardous waste based on dirt erosion of the west sides of the multiple piles. The enclosed picture from Aug 2013 shows the piles at their origin. The second group of pictures, titled 9May2014, show these same piles. Except for the fact that green vegetation has now grown from the piles they look pretty much the same. Are you insinuating that you're comfortable that there is nothing in these piles of waste that would be considered hazardous based on Katie just walking by and taking a few frames of video? Can you see dioxin and toxic metals from that vantage point? Fred, don't you remember seeing the video of the **truckload** of ash being dumped (enclosed) into the wetland from his 8 x 8 foot incinerator. What about the treated lumber you found stacked outside the incinerator and the bag of garbage inside? Do you know how many years he has been dumping this ash from his hobby farm in the wetland which is now sitting in piles above our water aquifer? Are you telling me that this small subset of waste (as you put it) is not polluted from years of toxic ash and that the soil can now simply be spread along our aquifer?

Let's also separate out the blight from the solid waste that came from the dump. Yes, the blight is a nuisance but our main concern is the piles of waste that was removed from the wetland and is now sitting above our water aquifer for the past 20 months and percolating leachate. I would also like to ask why do you keep telling me that household waste is not regulated? Fred, read your own letter you sent last August to the owner, he admitted to allowing multiple entities access to the unpermitted and unsupervised wetland dumpsite. Again, this is not normal household trash from one household, but waste from the community, apartments, and possibly a business based on the ionized water found.

I'm going to ask you again, do you actually believe that for 15 (correction 20 years) plus years of unsupervised dumping in an unpermitted landfill back in the woods, out of site, that people or businesses who used that site did not dump hazardous waste of some sort? Starting from the first time we talked, I have just about begged you to do soil samples. Finally, this past month you agreed but here we sit and still no samples. It's as if you're trying to buy additional time to allow dilution – why? When you first identified the barrels of liquid, you told me that the owner would have to have them tested. I then questioned why after identifying the potential hazardous waste would you not ensure a chain of custody to safeguard the barrels from tampering? After a few go-arounds on this topic you finally agreed to use evidence tape. This was elementary to me but it was like you just didn't care.

I sent you a video of him removing a battery from the suspected hazardous waste pile off-site. The video was not intended for the battery to be a sole piece of evidence, but to validate what we told the agency from the very first day he began removing the waste from the wetland, that he had a special pile in the back where he periodically placed items from the original dump site then covered with dirt. I sent this information in an email and talked to you and Katie on the phone about it, but you refused to come out and investigate. But after he removed the pile a few weeks ago you then sent Katie out to investigate the site? Why did you wait until the suspected hazardous waste was removed before investigating? And why after I asked if you viewed the video of the battery being taken off-site did you completely downplay its importance to validating the hazardous waste pile? You're exact words were, "you should consider this a victory." When I reported the fuel spill no one came out to investigate – why? In regard to your comment about licensed landfills inspecting the waste brought to the site, I can tell you emphatically that there have been multiple times where I brought trailers full of waste and no inspection took place. So I don't have much faith in that process being a discriminator for hazardous waste.

When I informed the agency during the evacuation that he was dumping the wetland contents on our property-line, above our aquifer, notwithstanding the guidance from Derek that the solid waste had to be moved to a licensed landfill, yet no one came out to tell him to stop. The agency knew he was not following its guidance but did nothing. The evacuation continued for two additional months. We had to sit here day after day and watch tons of solid waste being dumped on our property-line above our water aquifer because no one in that two month time period would come out and tell him to stop. Basically, the agency knew first-hand that he was creating another violation but did absolutely nothing to stop him. All it would have taken is for someone to come out and tell him to cease!

I said this multiple times and I'll say it again Fred your obvious main objective in this ordeal is strictly about minimizing the agency's responsibility. You have told me countless times that you are understaffed and have no money for cleaning up the sites. You absolutely refused to have the criminal investigation unit involved even after the owner disregarded the agency's directives and missed four clean-up deadlines. You even went as far to tell me that this seemed to be a neighborly dispute and we were partially responsible. I don't know if you said this out of frustration or you had some other purpose in mind, but we sure didn't appreciate the comment. It's analogous to firing the whistle blower. With respect to taking money from the agency's budget to properly address the violations, this should not be a tax payer expense, the owner of the property knew that he was creating another violation but disregarded the agency's directives.

Since I have been exposing all these concerns your subsequent emails have been written in a way to attempt damage control or make it sound like you're on top of this issue and have done nothing wrong. I have kept every email, letter, photo, video, and records of our phone conversations. I can build a time-line countering all the nonsense you have been recently spilling out. Fred, I absolutely don't feel confident at this point that you have our best interests in mind. I'm

again asking for complete removal of the contaminated waste that came from the wetland site within 30 days. I'm also requesting a criminal investigation to ensure we take the politics and your personal bias out of the equation.

Ash from garbage and treated lumber (EPA)

Backyard burning also produces ash residue, which can contain toxic metals such as mercury, lead, chromium, and arsenic. These metals can be toxic when ingested. When a person ingests hazardous amounts of lead, for example, he or she may experience high blood pressure, cardiovascular problems, kidney damage, and brain damage. Unaware of the potential danger, some people scatter the ash in their gardens or bury it on their property. Garden vegetables can absorb and accumulate these metals, which can make them dangerous to eat. Children playing in the yard or garden can incidentally ingest soil containing these metals. Also, rain can wash the ash into groundwater and surface water, contaminating drinking water and food.

The wood ash that remains from the burning of pressure treated wood is a very real and toxic problem. This ash contains 80% of the toxins that were contained in the wood. This ash is highly "leachable" and can contaminate ground water if buried.

Fred, (May 1, 2014)

Enclosed in a second email is a video of Mr. Rininger sifting through a mound of waste toward the back of his property selectively removing items from the pile. Then he moves two loads off site. There is definitely an effort here to hastily remove the items. Basically, he sifts through piles collects what he's looking for then departs. This has been the extent of his clean-up in over a year.

On Aug 4, 2013 I reported in an email (below) to the agency what was happening, that he had a few special piles in the back where he seemed to be periodically placing items then covering with dirt but no one followed up. I talked to both you and Katie about this also. How can we be assured that further pollution isn't adversely affecting the aquifer if no one inspects what's internal in these mounds of solid waste? Again, we're talking about 10+ years (correction 20 years) of unsupervised dumping by multiple entities.


Also in the June 19 email below, Derek indicates that Mr. Rininger is aware of the differences in waste and indicates that he'll have the site cleaned up in July. In a few months we'll be at two years.

Hi Katie, (May 12, 2014)

For what it's worth enclosed is a video of Mr. Rininger and a few other workers removing what I believe to be hazardous waste. As I informed the MDEQ on multiple occasions during the evacuation of the wetland, he periodically would store certain items in this pile then cover with dirt. Last week he hurriedly removed those items and took them off site. This is the only material that has been removed, nothing else has been accomplished. The video's speed has been increased to give you the gist of what transpired. I understand that because he was not required to spread the piles or no one came out and watched the evacuation this doesn't amount to much with respect to any kind of enforcement. That said, it does greatly concern us because our water aquifer is immediately under the solid waste. I have a few questions:

1. Has the department considered involving a toxicologist from the health department to determine if a public health hazard exists with respect to the waste now stored on our property-line and the fact that he dumped years of ash from burning illegal substances in the 8 x 8 foot incinerator which is now mixed in with the soil removed from the wetland and other waste.
2. Can you please give me an update on what the department is now doing since he is no longer making progress with removing the solid waste?
3. Have you been communicating with the township? If so please update me on their progress.


Thank you Katie,



Hello Derek, (Aug 4, 2013)

As you can see from the pictures this is getting way out-of-hand. There are numerous piles of solid waste and fuel oil odor. I watched him try to hide some of the waste in the woods and seen him burying piles of whatever with dirt in the back piles. Again, I ask that someone come out this week to get this under control. Keep in mind this is over 10 years of waste – (correction 20years) from a number of families.

Respectfully,



Hello Katie, (September 17, 2013)

Enclosed are some pictures I took today of empty barrels that just showed up. (see picture of same location taken in August – no barrels) These were hidden from view before they ended up here. Do you have any idea what was in these barrels before emptied? Did Mr. Rininger inform you that he was going to empty the barrels? Also, I assume Mr. Riniger is going to be required to flatten out all these hills of solid waste so a complete inspection can be conducted, right? How else will we know what is buried in these piles? Did you and Fred agree on a date yet for a visit?

Thx



Attachment Redacted as Irrelevant

From: Snyder, Rick (GOV)
Sent: Tuesday, January 05, 2016 3:16 PM
To: Stoken, Laura (GOV)
Subject: FW: Mattawan Wetland Dump
Attachments: WasteRemoval.wmv

From: [REDACTED]
Sent: Wednesday, December 30, 2015 2:38 PM
To: Snyder, Rick (GOV) [REDACTED] Snyder, Rick (GOV) [REDACTED]; Calley, Brian (GOV) [REDACTED]
Subject: FW: Mattawan Wetland Dump

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Respectfully,

[REDACTED]
Mattawan

From: Roger [REDACTED]
Sent: Tuesday, October 27, 2015 1:11 PM
To: wyantd@michigan.gov; hedman.susan@epa.gov; OIG_WEBCOMMENTS@epa.gov; edwardsm@vt.edu
Cc: 'Feighner, Bryce (DEQ)' <FEIGHNERB@michigan.gov>; 'Nate Fuller' <fuller@swmlc.org>; 'Sellers, Fred (DEQ)' <SELLERSF@michigan.gov>;
Subject: Mattawan Wetland Dump

Dear Mr. Wyant,

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date, I witnessed a crew of three hastily removing the pile. I immediately contacted the MDEQ and asked for a field agent to come out and investigate before the pile was removed and again was ignored.

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Respectfully,

[REDACTED]

From: [REDACTED]

Sent: Wednesday, May 28, 2014 12:24 PM

To: SELLERSF@michigan.gov

Cc: brownlee@michigan.gov; jeffe@vbcassdhd.org; JORDANK@michigan.gov

Subject: FW: dumping complaint

Fred,

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3. Have you been communicating with the township? If so please update me on their progress.

Thank you Katie,



Hello Derek, (Aug 4, 2013)

As you can see from the pictures this is getting way out-of-hand. There are numerous piles of solid waste and fuel oil odor. I watched him try to hide some of the waste in the woods and seen him burying piles of whatever with dirt in the back piles. Again, I ask that someone come out this week to get this under control. Keep in mind this is over 10 years of waste – (correction 20years) from a number of families.

Respectfully,



Hello Katie, (September 17, 2013)

Enclosed are some pictures I took today of empty barrels that just showed up. (see picture of same location taken in August – no barrels) These were hidden from view before they ended up here. Do you have any idea what was in these barrels before emptied? Did Mr. Rininger inform you that he was going to empty the barrels? Also, I assume Mr. Riniger is going to be required to flatten out all these hills of solid waste so a complete inspection can be conducted, right? How else will we know what is buried in these piles? Did you and Fred agree on a date yet for a visit?

Thx



Attachment Redacted as Irrelevant

Message

From: Stoken, Laura (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=JESSL]
Sent: 1/5/2016 3:45:49 PM
To: Thelen, Mary Beth (DEQ) [/O=MIGOV/OU=EXternal (FYDIBOHF25SPDLT)/cn=Recipients/cn=c4520ecc4a714eac8d2eae5a6c21ab7c]
Subject: Action Item [REDACTED] Constituent Case Referral 2 of 3
Attachments: WasteRemoval.wmv

2 of 3

Hello -

Governor Snyder's office has received a constituent inquiry from [REDACTED]

I would appreciate a copy of correspondence exchanged with this constituent on Governor Snyder's behalf, but I understand you may be limited by law in what you can share. Please let me know if you are unable to follow up with this constituent or if you believe I have made a mistake in referring this to your attention.

As always, please do not hesitate to contact me with any questions or concerns. Thank you for your assistance.

Laura Stoken
Office of the Governor
O: 517-335-7858

From: [REDACTED]
Sent: Wednesday, December 30, 2015 2:38 PM
To: Snyder, Rick (GOV) <[REDACTED]>; Snyder, Rick (GOV) <[REDACTED]>; Calley, Brian (GOV) <[REDACTED]>
Subject: FW: Mattawan Wetland Dump

Governor Snyder,

Below is an email thread covering some of the topics provided to you earlier along with an enclosed video of suspected hazardous waste being removed -- start from the bottom. The emails thoroughly explain the situation. More to follow. I hope to hear from you soon.

Respectfully,

[REDACTED]

Mattawan

From: [REDACTED]

Sent: Tuesday, October 27, 2015 1:11 PM

To: wyantd@michigan.gov; hedman.susan@epa.gov; OIG_WEBCOMMENTS@epa.gov; edwardsm@vt.edu

Cc: 'Feighner, Bryce (DEQ)' <FEIGHNERB@michigan.gov>; 'Nate Fuller' <fuller@swmlc.org>; 'Sellers, Fred (DEQ)' <SELLERSF@michigan.gov>;

Subject: Mattawan Wetland Dump

Dear Mr. Wyant,

The series of emails you received from me over the last few weeks hopefully explains our situation compared to Flint regarding the similarities as to how water complaints are handled in Michigan. In both situations, the agency used tactics designed to bully the complainants and attempt to downplay the potential for hazardous pollutants. My intent is to make you fully aware of the ineffectual culture of the MDEQ, from my perspective.

The emails below were sent to Fred Sellers and other MDEQ agents at the Kalamzoo district office during our three year ordeal. They depict our concerns and frustration as to how the wetland dump complaints were handled. Enclosed as an attachment to this email is a video taken of a suspected hazardous waste pile being removed from site. I mentioned this video in my last correspondence to you. It was sped up for brevity. This particular pile was hastily taken off-site while the remaining waste stayed in place for months after. For clarity, during the evacuation of waste from the wetland dump location, the owner would take select items and place them in the pile at the rear of his property then use his tractor to cover with dirt. While it was happening, I asked the MDEQ to come out and investigate and was ignored. Then at a later date, I witnessed a crew of three hastily removing the pile. I immediately contacted the MDEQ and asked for a field agent to come out and investigate before the pile was removed and again was ignored.

Completely frustrated, I complained to Sellers about being ignored and explained to him that they missed an opportunity to validate that hazardous waste was indeed disposed in the dump. (Keep in mind this was after being

ignored about the fuel spills.) He justified his fumbling by telling me I should consider the hazardous waste removal as a victory. I told Sellers removing the waste off-site was not the issue; I further stated that if they would have investigated both the fuel spills and the hazardous waste pile then it would have helped to validate what was actually in the dump and provide additional data that would assist with the soil sampling strategy. But as I said from the beginning of this email series Sellers did not want to find contaminants.

Again Mr. Wyant, what ties our issue to the Flint situation is the arrogance of the MDEQ when dealing with legitimate complaints from the public. The subterfuge employed by MDEQ staff is appalling and the lengths they will go to cover that subterfuge does not bode well for your agency.

The last video I sent a few days ago showed the so-called soil sampling from the evacuated waste piles – light versus dark soils. In the next few days I'll send a video showing the actual sampling of the wetland dump site.

Respectfully,

[REDACTED]

From: [REDACTED]
Sent: Wednesday, May 28, 2014 12:24 PM
To: SELLERSF@michigan.gov
Cc: brownee@michigan.gov; jeffe@vbcassdhd.org; JORDANK@michigan.gov
Subject: FW: dumping complaint

Fred,

This is in response to the email below:

How are you defining progress from Mr. Rininger? In the past 20 months he removed 6 barrels off site - according to video about 1 hour of work. Next, he cleaned up what we believe to be an area of hazardous waste. Again, based on video, approximately 6 hours of work. This is not progress Fred this is him dragging his feet. So essentially, we have less than one 8 hour day of work in 20 months -- this is progress?

Next, let's look at a few pictures for comparison purposes. You stated that Katie did not see evidence of hazardous waste based on dirt erosion of the west sides of the multiple piles. The enclosed picture from Aug 2013 shows the piles at their origin. The second group of pictures, titled 9May2014, show these same piles. Except for the fact that green vegetation has now grown from the piles they look pretty much the same. Are you insinuating that you're comfortable that there is nothing in these piles of waste that would be considered hazardous based on Katie just walking by and taking a few frames of video? Can you see dioxin and toxic metals from that vantage point? Fred, don't you remember seeing the video of the truckload of ash being dumped (enclosed) into the wetland from his 8 x 8 foot incinerator. What about the treated lumber you found stacked outside the incinerator and the bag of garbage inside? Do you know how many years he has been dumping this ash from his hobby farm in the wetland which is now sitting in piles above our water aquifer? Are you telling me that this small subset of waste (as you put it) is not polluted from years of toxic ash and that the soil can now simply be spread along our aquifer?

Let's also separate out the blight from the solid waste that came from the dump. Yes, the blight is a nuisance but our main concern is the piles of waste that was removed from the wetland and is now sitting above our water aquifer for the past 20 months and percolating leachate. I would also like to ask why do you keep telling me that household waste is not regulated? Fred, read your own letter you sent last August to the owner, he admitted to allowing multiple entities access to the unpermitted and unsupervised wetland dumpsite. Again, this is not normal household trash from one household, but waste from the community, apartments, and possibly a business based on the ionized water found.

I'm going to ask you again, do you actually believe that for 15 (correction 20 years) plus years of unsupervised dumping in a unpermitted landfill back in the woods, out of site, that people or businesses who used that site did not dump hazardous waste of some sort? Starting from the first time we talked, I have just about begged you to do soil samples. Finally, this past month you agreed but here we sit and still no samples. It's as if you're trying to buy additional time to allow dilution -- why? When you first identified the barrels of liquid, you told me that the owner would have to have them tested. I then questioned why after identifying the potential hazardous waste would you not ensure a chain of custody to safeguard the barrels from tampering? After a few go-arounds on this topic you finally agreed to use evidence tape. This was elementary to me but it was like you just didn't care.

I sent you a video of him removing a battery from the suspected hazardous waste pile off-site. The video was not intended for the battery to be a sole piece of evidence, but to validate what we told the agency from the very first day he began removing the waste from the wetland, that he had a special pile in the back where he periodically placed items from the original dump site then covered with dirt. I sent this information in an email and talked to you and Katie on the phone about it, but you refused to come out and investigate. But after he removed the pile a few weeks ago you then sent Katie out to investigate the site? Why did you wait until the suspected hazardous waste was removed before

investigating? And why after I asked if you viewed the video of the battery being taken off-site did you completely downplay its importance to validating the hazardous waste pile ? You're exact words were, "you should consider this a victory." When I reported the fuel spill no one came out to investigate – why? In regard to your comment about licensed landfills inspecting the waste brought to the site, I can tell you emphatically that there have been multiple times where I brought trailers full of waste and no inspection took place. So I don't have much faith in that process being a discriminator for hazardous waste.

When I informed the agency during the evacuation that he was dumping the wetland contents on our property-line, above our aquifer, notwithstanding the guidance from Derek that the solid waste had to be moved to a licensed landfill, yet no one came out to tell him to stop. The agency knew he was not following its guidance but did nothing. The evacuation continued for two additional months. We had to sit here day after day and watch tons of solid waste being dumped on our property-line above our water aquifer because no one in that two month time period would come out and tell him to stop. Basically, the agency knew first-hand that he was creating another violation but did absolutely nothing to stop him. All it would have taken is for someone to come out and tell him to cease!

I said this multiple times and I'll say it again Fred your obvious main objective in this ordeal is strictly about minimizing the agency's responsibility. You have told me countless times that you are understaffed and have no money for cleaning up the sites. You absolutely refused to have the criminal investigation unit involved even after the owner disregarded the agency's directives and missed four clean-up deadlines. You even went as far to tell me that this seemed to be a neighborly dispute and we were partially responsible. I don't know if you said this out of frustration or you had some other purpose in mind, but we sure didn't appreciate the comment. It's analogous to firing the whistle blower. With respect to taking money from the agency's budget to properly address the violations, this should not be a tax payer expense, the owner of the property knew that he was creating another violation but disregarded the agency's directives.

Since I have been exposing all these concerns your subsequent emails have been written in a way to attempt damage control or make it sound like you're on top of this issue and have done nothing wrong. I have kept every email, letter, photo, video, and records of our phone conversations. I can build a time-line countering all the nonsense you have been recently spilling out. Fred, I absolutely don't feel confident at this point that you have our best interests in mind. I'm again asking for complete removal of the contaminated waste that came from the wetland site within 30 days. I'm also requesting a criminal investigation to ensure we take the politics and your personal bias out of the equation.

Ash from garbage and treated lumber (EPA)

Backyard burning also produces ash residue, which can contain toxic metals such as mercury, lead, chromium, and arsenic. These metals can be toxic when ingested. When a person ingests hazardous amounts of lead, for example, he or she may experience high blood pressure, cardiovascular problems, kidney damage, and brain damage. Unaware of the potential danger, some people scatter the ash in their gardens or bury it on their property. Garden vegetables can absorb and accumulate these metals, which can make them dangerous to eat. Children playing in the yard or garden can incidentally ingest soil containing these metals. Also, rain can wash the ash into groundwater and surface water, contaminating drinking water and food.

The wood ash that remains from the burning of pressure treated wood is a very real and toxic problem. This ash contains 80% of the toxins that were contained in the wood. This ash is highly "leachable" and can contaminate ground water if buried.

Fred, (May 1, 2014)

Enclosed in a second email is a video of Mr. Rininger sifting through a mound of waste toward the back of his property selectively removing items from the pile. Then he moves two loads off site. There is definitely an effort here to hastily remove the items. Basically, he sifts through piles collects what he's looking for then departs. This has been the extent of his clean-up in over a year.

On Aug 4, 2013 I reported in an email (below) to the agency what was happening, that he had a few special piles in the back where he seemed to be periodically placing items then covering with dirt but no one followed up. I talked to both you and Katie about this also. How can we be assured that further pollution isn't adversely affecting the aquifer if no one inspects what's internal in these mounds of solid waste? Again, we're talking about 10+ years (correction 20 years) of unsupervised dumping by multiple entities.

Also in the June 19 email below, Derek indicates that Mr. Rininger is aware of the differences in waste and indicates that he'll have the site cleaned up in July. In a few months we'll be at two years.

Hi Katie, (May 12, 2014)

For what it's worth enclosed is a video of Mr. Rininger and a few other workers removing what I believe to be hazardous waste. As I informed the MDEQ on multiple occasions during the evacuation of the wetland, he periodically would store certain items in this pile then cover with dirt. Last week he hurriedly removed those items and took them off site. This is the only material that has been removed, nothing else has been accomplished. The video's speed has been increased to give you the gist of what transpired. I understand that because he was not required to spread the piles or no one

came out and watched the evacuation this doesn't amount to much with respect to any kind of enforcement. That said, it does greatly concern us because our water aquifer is immediately under the solid waste. I have a few questions:

1. Has the department considered involving a toxicologist from the health department to determine if a public health hazard exists with respect to the waste now stored on our property-line and the fact that he dumped years of ash from burning illegal substances in the 8 x 8 foot incinerator which is now mixed in with the soil removed from the wetland and other waste.
2. Can you please give me an update on what the department is now doing since he is no longer making progress with removing the solid waste?
3. Have you been communicating with the township? If so please update me on their progress.

Thank you Katie,



Hello Derek, (Aug 4, 2013)

As you can see from the pictures this is getting way out-of-hand. There are numerous piles of solid waste and fuel oil odor. I watched him try to hide some of the waste in the woods and seen him burying piles of whatever with dirt in the back piles. Again, I ask that someone come out this week to get this under control. Keep in mind this is over 10 years of waste – (correction 20years) from a number of families.

Respectfully,



Hello Katie, (September 17, 2013)

Enclosed are some pictures I took today of empty barrels that just showed up. (see picture of same location taken in August – no barrels) These were hidden from view before they ended up here. Do you have any idea what was in these barrels before emptied? Did Mr. Rininger inform you that he was going to empty the barrels? Also, I assume Mr. Riniger is going to be required to flatten out all these hills of solid waste so a complete inspection can be conducted, right? How else will we know what is buried in these piles? Did you and Fred agree on a date yet for a visit?

Thx



Attachment Redacted as Irrelevant

From: Bedan, Morgan (GOV)
Sent: Tuesday, January 05, 2016 4:43 PM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV); Clement, Elizabeth (GOV); Agen, Jarrod (GOV); Emmitt, Beth (GOV); Bedan, Morgan (GOV); Utley, Corey (GOV); Dickinson, Sarah (GOV)
Subject: January 6 Daily Briefing
Attachments: [REDACTED] 160106
Daily Briefing.pdf

Governor,

Attached is your Daily Briefing for January 6. The briefing contains:

Redacted

For Review

- [REDACTED] **Redacted**
- Flint Water Update – Pages 31 – 41
- [REDACTED] **Redacted**

Please let us know if you have any questions.

Thank you,
Morgan

Attachment Redacted as Irrelevant

Governor Rick Snyder
January 6, 2016
Daily Briefing

Contents	Pages
Redacted	
Local Government Update* 1. Treasury Memo – Page 14 2. Local Units Summary – Page 26	14 – 28
Redacted	
For Review	
Redacted	
Flint Water Update	31 – 41

Redacted

Redacted pages 2-13

Redacted

Flint

RTAB Appointed: April 29, 2015

RTAB Members: Frederick Headen, David McGhee, Beverly Walker-Griffea, Robert McMahan

Recent Developments

Redacted

- On November 13, 2015, a complaint was filed in the U.S. District Court against State officials, City of Flint officials, and the former EM for the decision to utilize the Flint River as a water source for residents.
- On November 16, 2015, a Notice of Intent to Sue was filed in the U.S. District Court against state and City of Flint officials for violating the federal Safe Drinking Water Act requirements.
- Mayor Weaver declared State of Emergency on December 14, 2015.
- On August 7, 2015, a Genesee County Circuit Court lawsuit, Shears vs. Flint, invalidated a previous 35% increase in water and sewer rates, reverting back to 2011 rates. This injunction also requires the city to repay \$15.7M from the General Fund to the Water Fund, prevents the city from collecting certain past due water bills, and from disconnecting water service for nonpayment. The city's appellate efforts to date have not been successful. The city has requested financial assistance related to the litigation regarding water issues.
- Kincaid vs. City of Flint litigation was held that the EM had no statutory authority to later ratify water and sewer rate increases from May of 2012. The city filed an appeal to the Michigan Supreme Court, but the Court did not address the appeal because the city missed the filing deadline by one day. The case has been remanded back to Genesee County Circuit Court to resolve outstanding matters.

Redacted

Significant Actions/Issues

- On September 11, 2015, Genesee County Circuit Court dismissed the Coalition for Clean Water vs. the City of Flint case to force the city to purchase water from the City of Detroit.
- The KWA pipeline is expected to be completed in June 2016. The pipeline is 80% complete, the two pump houses are 90% complete and the intake is completed.

Redacted

Redacted Pages 18-25

Redacted

RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB) - MUNICIPALITIES

Unit of Government	Board Members	Appointment Date	Target Exit Date	Notes
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Redacted

City of Flint	Frederick Headen, David McGhee, Beverly Walker-Griffiea, Robert McMahan	April 29, 2015	NA	<ul style="list-style-type: none">* On 11/13/15, a complaint was filed in the U.S. District Court against state officials, City of Flint officials, and the former EM for the decision to utilize the Flint River as a water source for residents.* On 11/16/15, a Notice of Intent to Sue was filed in the U.S. District court against state and City of Flint officials for violating the federal Safe Drinking Water Act requirements.
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Redacted

Redacted Pages 27-30

Flint Drinking Water Action Plan Update

FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGE

Key Actions:

On December 28-29, 2015, staff from the DEQ and DLARA conducted the formal plumbing evaluation of Flint Community Schools' Northwestern High School and Southwestern Classical Academy. On December 29-30 staff from DEQ and DLARA then performed the follow-up sampling of the drinking fountains and faucets that are used for consumptive purposes at these two facilities. This completes the initial evaluation process for all 13 schools of the Flint Community Schools. Once the Flint Community Schools has had an opportunity to incorporate the recommendations in the plumbing evaluation reports, a follow-up sampling will be scheduled to ensure that all of the issues have been properly addressed.

Evaluations of the Flint Community Schools will continue to be posted to the Flint water Web site: www.mi.gov/flintwater. These reports are being shared with Flint Community Schools Superintendent Bilal Tawwab first and then posted. So far, three reports have been posted, with the remaining reports expected to be completed by the end of January 2016.

A list of schools and childcare facilities served by the Flint water system requesting a plumbing evaluation has been created. These facilities will be contacted during the first two weeks in January to schedule a free plumbing evaluation of their facilities. The protocol used will be the same one used for the Flint Community Schools. To date, there are a total of 10 facilities that have requested a plumbing evaluation. Once these 10 facilities have been scheduled, efforts will be made to reach out to additional facilities that may wish to take advantage of this free program.

Video footage was taken on December 29, 2015, of the plumbing evaluation process and the sampling protocol of the drinking fountains and faucets at Flint Community Schools' Northwestern High School and Southwestern Classical Academy. This footage is being used to create a video that provides an easy-to-understand explanation of how the plumbing evaluations and subsequent sampling is being done in the schools. The target audience for this video is primarily the residents of Flint so that they can get a visual of the efforts already underway, but it is anticipated that this video will also be used as an instructional aid for schools elsewhere in Michigan that are interested in having their facilities evaluated.

Positions:

There are no new positions to report.

Concerns:

There are no new concerns to report.

FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGE

Flint Drinking Water Action Plan Update

Page 2

Significant Event:

On December 29, 2015, Dan Wyant resigned his position as Director of the DEQ. DNR Director Keith Creagh has been appointed Interim Director of the DEQ. Reports have been created and meetings have been scheduled to provide Director Creagh with a history of the Flint situation as well as current plans for moving forward.

Changes from Previous Report:

- The Flint water Web site has been redesigned. The old site was beginning to become cluttered and information was becoming difficult to locate. The new design provides a more user friendly interface and has a more elegant flow. It is anticipated that the redesigned Web site will go live during the week of January 4, 2016.
- The DEQ Laboratory identified a lead result as being alarmingly high. This result was conveyed to Flint Action Plan Coordinator George Krisztian so that the customer could be contacted instead of waiting for the final report to go out. Investigation of the address revealed that the sample was taken at the Whaley Children's Center. The facility was contacted, and the contact there was notified that one of the samples that they submitted was in excess of 2,500 parts per billion (ppb), or more than 160 times higher than the federally-mandated action level of 15 ppb. The contact was instructed to take measures to ensure that water from that point was not being used for consumptive purposes. Since the facility provided childcare, Mr. Krisztian described the free plumbing evaluation service available and offered to put Whaley Children's Center on the list of facilities being evaluated. The contact indicated that they would provide the information to management for consideration.
- A review of the results from the free lead testing offered to all Flint residents since November 1, 2015, show a downward trend compared to results from those prior to November 1, 2015. This can be attributed to a number of factors. The switch to using water from Detroit Water and Sewerage Department, the implementation of supplemental phosphate addition, and the colder temperatures are all possible contributing factors in this trend.

Since November 1, 2015, a total of 298 samples have been submitted and analyzed by the DEQ Laboratory. Of these samples, 248 or 83.2% show concentrations of 5 ppb or less. In addition, 279 samples or 93.6% show concentrations at or below the action level of 15 ppb.

While this data is encouraging and indicates that the Flint water supply is moving towards compliance with the Lead and Copper Rule (LCR), it is imperative to view this data cautiously. The LCR specifies what sampling points may be used for compliance purposes. The data for these samples is nonselective and

FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGE

Flint Drinking Water Action Plan Update

Page 3

potentially may not be coming from distribution points that would be allowed under the LCR. In addition, although the paperwork indicates that samples should not go through a filter, it is possible that some residents are using the free lead testing service to ensure the filters that have been provided do, in fact, remove lead.

Other Item:

Attached is a spreadsheet containing data for samples submitted by Flint residents through the free lead testing program.

Prepared by: George Krisztian, Flint Action Plan Coordinator
Laboratory Director
Department of Environmental Quality
Telephone: 517-284-6719
Cell: [REDACTED]
January 4, 2016

Home Owner Results - Samples Submitted 11-1-15 Through 12-29-15

SAMPLE NUMBER	DATE SUBMITTED	ANALYTE	RESULT	ADDRESS	ZIP CODE
LF90454	04-Nov-15	LEAD	0.000	2484 NOLEN DR	48504
LF90456	04-Nov-15	LEAD	0.000	2105 TUSCOLA ST	48503
LF90457	04-Nov-15	LEAD	0.000	1217 MAXINE	48503
LF90458	04-Nov-15	LEAD	0.000	2610 PEWANAGA PL	48507
LF90459	04-Nov-15	LEAD	0.000	2508 PIERCE ST	48503
LF90465	04-Nov-15	LEAD	0.000	3905 KELLAR AVE	48504
LF90467	04-Nov-15	LEAD	0.000	2484 NOLEN DR #2	48504
LF90468	04-Nov-15	LEAD	0.000	1680 N CHEVROLET AVE	48504
LF91271	09-Nov-15	LEAD	0.000	1419 MULBERRY LN	48507
LF91273	09-Nov-15	LEAD	0.000	1715 CRESCENT DR	48503
LF91275	09-Nov-15	LEAD	0.000	718 COLUMBIA LN	48503
LF91277	09-Nov-15	LEAD	0.000	3018 CLEMENT ST	48504
LF91278	09-Nov-15	LEAD	0.000	601 WHITE WILLOW DR	48506
LF91280	09-Nov-15	LEAD	0.000	718 COLUMBIA LN	48503
LF91281	09-Nov-15	LEAD	0.000	718 COLUMBIA LN	
LF91283	09-Nov-15	LEAD	0.000	2006 AITKEN AVE	48503
LF91285	09-Nov-15	LEAD	0.000	718 COLUMBIA LN	48503
LF91286	09-Nov-15	LEAD	0.000	3840 GLOUCESTER ST	48503
LF91290	09-Nov-15	LEAD	0.000	3841 LORRAINE AVE	48506
LF91291	09-Nov-15	LEAD	0.000	3614 ALDON LN	48506
LF92698	18-Nov-15	LEAD	0.000	2101 WINDEMERE AVE	48503
LF92699	18-Nov-15	LEAD	0.000	1963 LAUREL OAK DR	48507
LF92702	18-Nov-15	LEAD	0.000	6622 ELMRIDGE DR	
LF92705	18-Nov-15	LEAD	0.000	2438 MISSOURI AVE	48506
LF92712	18-Nov-15	LEAD	0.000	418 E BALTIMORE BLVD	48505
LF92713	18-Nov-15	LEAD	0.000	2101 WINDEMERE AVE	48503
LF92715	18-Nov-15	LEAD	0.000	313 E LYNDON AVE	48505
LF92719	18-Nov-15	LEAD	0.000	4236 KELLAR AVE	48504
LF92722	18-Nov-15	LEAD	0.000	1043 PINEHURST AVE	48507
LF92724	18-Nov-15	LEAD	0.000	822 W HEMPHILL RD	48507
LF92725	18-Nov-15	LEAD	0.000	6310 FLEMING RD	48504
LF92726	18-Nov-15	LEAD	0.000	3245 MONTANA AVE	48506
LF92727	18-Nov-15	LEAD	0.000	1602 S FRANKLIN AVE	48503
LF92728	18-Nov-15	LEAD	0.000	4117 TRUMBULL AVE	
LF92729	18-Nov-15	LEAD	0.000	3302 GRATIOT AVE	48503
LF92730	18-Nov-15	LEAD	0.000	3230 COLORADO	48506
LF92735	18-Nov-15	LEAD	0.000	1326 BEARD ST	
LF92736	18-Nov-15	LEAD	0.000	1214 KENSINGTON AVE	48503
LF92737	18-Nov-15	LEAD	0.000	800 E COURT ST #134	48503
LF92738	18-Nov-15	LEAD	0.000	555 S SAGINAW ST STE 201	48502

Home Owner Results - Samples Submitted 11-1-15 Through 12-29-15

SAMPLE NUMBER	DATE SUBMITTED	ANALYTE	RESULT	ADDRESS	ZIP CODE
LF93550	24-Nov-15	LEAD	0.000	318 BUCKINGHAM AVE/FILTER	48505
LF93554	24-Nov-15	LEAD	0.000	2101 STEDRON ST	48504
LF93561	24-Nov-15	LEAD	0.000	1410 BLUEBERRY LN/6	48507
LF93567	24-Nov-15	LEAD	0.000	6211 OXLEY (MAIL 6201 OXLEY)	
LF93568	24-Nov-15	LEAD	0.000	6201 OXLEY DR	48504
LF93569	24-Nov-15	LEAD	0.000	607 EAST ST APT 3 (A)	48503
LF93570	24-Nov-15	LEAD	0.000	3913 WISNER ST	48504
LF93571	24-Nov-15	LEAD	0.000		
LF93572	24-Nov-15	LEAD	0.000	3510 YALE ST	
LF93573	24-Nov-15	LEAD	0.000	1825 OWEN ST	48503
LF93577	24-Nov-15	LEAD	0.000	3306 BARTH ST	
LF93578	24-Nov-15	LEAD	0.000	1608 BROAD COURT	48503
LF93580	24-Nov-15	LEAD	0.000	312 BUCKINGHAM AVE	48507
LF93586	24-Nov-15	LEAD	0.000	429 CHAVEZ DR (NORTH BOUND)	48503
LF93589	24-Nov-15	LEAD	0.000	916 HUBBARD AVE	48503
LF93591	24-Nov-15	LEAD	0.000	3221 WYOMING AVE	48506
LF93592	24-Nov-15	LEAD	0.000	810 MAC DONALD AVE	48507
LF93593	24-Nov-15	LEAD	0.000	613 E ATHERTON	48507
LF93594	24-Nov-15	LEAD	0.000	700 E COURT ST #303	48503
LF93595	24-Nov-15	LEAD	0.000	4311 OGEMA	48507
LF94259	02-Dec-15	LEAD	0.000	2833 COMANCHE AVE	
LF94263	02-Dec-15	LEAD	0.000	3515 SUNSET DR	48503
LF94265	02-Dec-15	LEAD	0.000	3125 MONTANA AVE	48506
LF94269	02-Dec-15	LEAD	0.000	2833 COMANCHE AVE	
LF94270	02-Dec-15	LEAD	0.000	1920 COLCHESTER RD	48503
LF94272	02-Dec-15	LEAD	0.000	2954 CONCORD ST	48504
LF94280	02-Dec-15	LEAD	0.000	420 GREENFIELD AVE	48503
LF94284	02-Dec-15	LEAD	0.000	1201 N GRAND TRAVERSE #V4	48503
LF94285	02-Dec-15	LEAD	0.000	1201 N GRAND TRAVERSE V2	48503
LF94286	02-Dec-15	LEAD	0.000	1201 N GRAND TRAVERSE #V3	48503
LF94287	02-Dec-15	LEAD	0.000	1802 CARMEN BROOK PKY	48507
LF94288	02-Dec-15	LEAD	0.000	3407 LEITH ST	48506
LF94289	02-Dec-15	LEAD	0.000	3915 OGEMA	
LF94290	02-Dec-15	LEAD	0.000	3501 SHERWOOD DR	48503
LF94291	02-Dec-15	LEAD	0.000	1201 N GRAND TRAVERS J3	48503
LF94293	02-Dec-15	LEAD	0.000	1201 NORTH GRAND TRAVERSE #1	48503
LF94294	02-Dec-15	LEAD	0.000	1201 N GRAND TRAVERSE #2	48503
LF94296	02-Dec-15	LEAD	0.000	3109 BEECHER RD	48503
LF94299	02-Dec-15	LEAD	0.000	1201 N GRAND TRAVERSE #V1	48503
LF94301	02-Dec-15	LEAD	0.000	1802 CARMENBROOK PKY	48507

Home Owner Results - Samples Submitted 11-1-15 Through 12-29-15

SAMPLE NUMBER	DATE SUBMITTED	ANALYTE	RESULT	ADDRESS	ZIP CODE
LF94303	02-Dec-15	LEAD	0.000	346 ALLENDALE PLACE	48503
LF94304	02-Dec-15	LEAD	0.000	412 SHEFFIELD AVE	
LF95909	10-Dec-15	LEAD	0.000	2761 CHICAGO BLVD	48503
LF95910	10-Dec-15	LEAD	0.000	3401 MILLER RD	48503
LF95912	10-Dec-15	LEAD	0.000	1606 BARBARA DR	48504
LF95916	10-Dec-15	LEAD	0.000	4018 PARK FOREST DR	48507
LF95921	10-Dec-15	LEAD	0.000	3602 MILBOURNE AVE	48504
LF95923	10-Dec-15	LEAD	0.000	1001 BEARD ST	48503
LF95925	10-Dec-15	LEAD	0.000	3822 W COURT ST	48532
LF95926	10-Dec-15	LEAD	0.000	1901 CASTLE LN	48504
LF95928	10-Dec-15	LEAD	0.000	665 E HEMPHILL RD	48507
LF95930	10-Dec-15	LEAD	0.000	2201 KANSAS ST	48506
LF95932	10-Dec-15	LEAD	0.000	214 W FOSS	48
LF97319	18-Dec-15	LEAD	0.000	3505 COMANCHE AVE	48507
LF97320	18-Dec-15	LEAD	0.000	4509 TRUMBULL DR	48504
LF97321	18-Dec-15	LEAD	0.000	1604 E COURT	48503
LF97322	18-Dec-15	LEAD	0.000	1302 BARNEY AVE	48503
LF97324	18-Dec-15	LEAD	0.000	1925 HASLER ST	48503
LF97326	18-Dec-15	LEAD	0.000	2201 HILLS ST	48503
LF97332	18-Dec-15	LEAD	0.000	6709 COLONIAL DR	48505
LF97333	18-Dec-15	LEAD	0.000	3921 BRANCH RD	48506
LF97335	18-Dec-15	LEAD	0.000	505 EAST ST	48503
LF97336	18-Dec-15	LEAD	0.000	1925 HOSLER ST	48503
LF97337	18-Dec-15	LEAD	0.000	106 E PIPER AVE	48505
LF97338	18-Dec-15	LEAD	0.000	1013 BLANCHARD	48503
LF97339	18-Dec-15	LEAD	0.000	209 S CUMBERLAND ST	
LF97341	18-Dec-15	LEAD	0.000	2014 HILLS ST	
LF97345	18-Dec-15	LEAD	0.000	5366 OAK TREE CT	48532
LF97348	18-Dec-15	LEAD	0.000	4202 CIRCLE DR	48507
LF97919	29-Dec-15	LEAD	0.000	532 S VERNON AVE	48503
LF97921	29-Dec-15	LEAD	0.000	3901 CHEYENNE AVE	48507
LF97926	29-Dec-15	LEAD	0.000	1223 BENNETT AVE	48506
LF97928	29-Dec-15	LEAD	0.000	3123 CHAMBERS ST	48507
LF97929	29-Dec-15	LEAD	0.000	2101 STEDRON	48504
LF97930	29-Dec-15	LEAD	0.000	5838 EDGAR HOLT DR	
LF97931	29-Dec-15	LEAD	0.000	5838 EDGAR HOLT	48505
LF97932	29-Dec-15	LEAD	0.000	7002 PEMBERTON DR	
LF97933	29-Dec-15	LEAD	0.000	7002 PEMBERTON DR BLDG 15	
LF97934	29-Dec-15	LEAD	0.000	4060 M L KING APT 11	48505
LF97936	29-Dec-15	LEAD	0.000	5838 EDGAR HOLT	48505

Home Owner Results - Samples Submitted 11-1-15 Through 12-29-15

SAMPLE NUMBER	DATE SUBMITTED	ANALYTE	RESULT	ADDRESS	ZIP CODE
LF97937	29-Dec-15	LEAD	0.000	906 GARLAND ST	48503
LF97940	29-Dec-15	LEAD	0.000	5838 EDGAR HOLT DR	
LF97941	29-Dec-15	LEAD	0.000	454 DOUGHERTY PL	48504
LF97942	29-Dec-15	LEAD	0.000	1201 N GRAND TRAVERSE N	
LF97944	29-Dec-15	LEAD	0.000	3123 CHAMBERS ST (BRITA)	48507
LF97947	29-Dec-15	LEAD	0.000	2510 NEBRASKA AVE	48506
LF97951	29-Dec-15	LEAD	0.000	902 E COURT #308 RICHERT MANOR	
LF97953	29-Dec-15	LEAD	0.000	5838 EDGAR HOLT	
LF97956	29-Dec-15	LEAD	0.000	3800 RICHFIELD RD	
LF97958	29-Dec-15	LEAD	0.000	5838 EDGAR HOLT DR	48505
LF97960	29-Dec-15	LEAD	0.000	7002 PEMBERTON DR BLDG 29	48505
LF97966	29-Dec-15	LEAD	0.000	2200 N DORT HWY	48507
LF97967	29-Dec-15	LEAD	0.000	2200 N DORT HWY	48507
LF97968	29-Dec-15	LEAD	0.000	3930 HERRICK ST	
LF97969	29-Dec-15	LEAD	0.000	5709 OXLEY DR	
LF97973	29-Dec-15	LEAD	0.000	605 JOSEPHINE	
LF97982	29-Dec-15	LEAD	0.000	2610 M L KING SALEM LUTHERAN	
LF91269	09-Nov-15	LEAD	0.001	2937 CONCORD ST	48504
LF91282	09-Nov-15	LEAD	0.001	726 W DARTMOUTH ST	48505
LF91284	09-Nov-15	LEAD	0.001	210 W STEWART AVE	48505
LF92700	18-Nov-15	LEAD	0.001	317 BEDE ST	48507
LF92701	18-Nov-15	LEAD	0.001	4629 MILTON DR	48507
LF92703	18-Nov-15	LEAD	0.001	6626 ELMRIDGE DR	48505
LF92706	18-Nov-15	LEAD	0.001	532 BURROUGHS AVE	48507
LF92711	18-Nov-15	LEAD	0.001	3826 BROWN ST	48532
LF92714	18-Nov-15	LEAD	0.001	4515 OGEMA	48507
LF93581	24-Nov-15	LEAD	0.001	3701 DAKOTA AVE	485
LF93582	24-Nov-15	LEAD	0.001	3312 BENNETT AVE	48506
LF93588	24-Nov-15	LEAD	0.001	1406 BLUEBERRY LN	48507
LF94267	02-Dec-15	LEAD	0.001	3210 NORWOOD DR	
LF94275	02-Dec-15	LEAD	0.001	2806 THOMAS ST	48504
LF94278	02-Dec-15	LEAD	0.001	3406 DEARBORN AVE	48507
LF94281	02-Dec-15	LEAD	0.001	707 ALGONQUIN AVE	48507
LF94283	02-Dec-15	LEAD	0.001	2954 CONCORD ST	48504
LF94298	02-Dec-15	LEAD	0.001	1819 FRANCIS AVE	48505
LF95920	10-Dec-15	LEAD	0.001	1221 BARNEY	48503
LF95935	10-Dec-15	LEAD	0.001	3320 MILLER RD	48503
LF97318	18-Dec-15	LEAD	0.001	2313 HILLS STREET	48503
LF97325	18-Dec-15	LEAD	0.001	653 S SAGINAW #105	48502
LF97327	18-Dec-15	LEAD	0.001	912 CRAWFORD ST	

Home Owner Results - Samples Submitted 11-1-15 Through 12-29-15

SAMPLE NUMBER	DATE SUBMITTED	ANALYTE	RESULT	ADDRESS	ZIP CODE
LF97340	18-Dec-15	LEAD	0.001	3141 WYOMING AVE	
LF97343	18-Dec-15	LEAD	0.001	3614 DAKOTA AVE	48506
LF97952	29-Dec-15	LEAD	0.001	1201 N GRAND TRAVERSE	
LF97962	29-Dec-15	LEAD	0.001	1201 N GRAND TRAVERSE	48503
LF97965	29-Dec-15	LEAD	0.001	631 E ATHERTON	48507
LF90455	04-Nov-15	LEAD	0.002	1217 MAXINE	48503
LF90461	04-Nov-15	LEAD	0.002	3741 WORCHESTER DR	48503
LF91270	09-Nov-15	LEAD	0.002	915 E COURT ST #405	48503
LF91274	09-Nov-15	LEAD	0.002	4221 BROWNELL BLVD	48504
LF91288	09-Nov-15	LEAD	0.002	112 E STEWART AVE	48505
LF91289	09-Nov-15	LEAD	0.002	2601 CIRCLE DR	48507
LF92709	18-Nov-15	LEAD	0.002	3802 GREENBROOK LN	48507
LF92716	18-Nov-15	LEAD	0.002	3825 DAVISON RD	48506
LF92718	18-Nov-15	LEAD	0.002	4109 TRUMBULL AVE	48504
LF92720	18-Nov-15	LEAD	0.002	932 LYON ST	48503
LF92721	18-Nov-15	LEAD	0.002	3420 PARKSIDE DR	48503
LF92732	18-Nov-15	LEAD	0.002	1331 BEARD ST	48503
LF93563	24-Nov-15	LEAD	0.002	1616 DURAND	48503
LF93583	24-Nov-15	LEAD	0.002	4309 CUTHBERTSON	48507
LF93585	24-Nov-15	LEAD	0.002	3502 BRINTWOOD DR	48503
LF94268	02-Dec-15	LEAD	0.002	326 FERNDAL PLACE	48503
LF94274	02-Dec-15	LEAD	0.002	3914 STERLING ST	48504
LF94276	02-Dec-15	LEAD	0.002	3550 HAWTHORNE DR	48503
LF94295	02-Dec-15	LEAD	0.002	630 W ATHERTON RD	48507
LF94297	02-Dec-15	LEAD	0.002	3636 BRENTWOOD	48503
LF94300	02-Dec-15	LEAD	0.002	3623 NORWOOD DR	48503
LF95918	10-Dec-15	LEAD	0.002	2020 KANSAS	48506
LF95919	10-Dec-15	LEAD	0.002	3102 BROWNELL BLVD	48504
LF95929	10-Dec-15	LEAD	0.002	3501 HAWTHORNE DR	48
LF95934	10-Dec-15	LEAD	0.002	2564 TYRONE ST	48504
LF97316	18-Dec-15	LEAD	0.002	224 E COURT ST APT 405	49502
LF97323	18-Dec-15	LEAD	0.002	1902 S AVERILL	48507
LF97330	18-Dec-15	LEAD	0.002		
LF97344	18-Dec-15	LEAD	0.002	732 VERMILYA AVE	
LF97950	29-Dec-15	LEAD	0.002	1201 N GRAND TRAVERSE	
LF97955	29-Dec-15	LEAD	0.002	3123 CHAMBERS ST	
LF97974	29-Dec-15	LEAD	0.002	2302 MOUNTAIN AVE	48503
LF90466	04-Nov-15	LEAD	0.003	1670 DUPONT ST	48504
LF91287	09-Nov-15	LEAD	0.003	218 W STEWART AVE	48505
LF92697	18-Nov-15	LEAD	0.003	325 BEDE ST	48507

Home Owner Results - Samples Submitted 11-1-15 Through 12-29-15

SAMPLE NUMBER	DATE SUBMITTED	ANALYTE	RESULT	ADDRESS	ZIP CODE
LF92707	18-Nov-15	LEAD	0.003	3825 DAVISON RD #2	48506
LF92708	18-Nov-15	LEAD	0.003	1914 MILLER RD	48503
LF92717	18-Nov-15	LEAD	0.003	3816 PARK FOREST DR	
LF92723	18-Nov-15	LEAD	0.003	509 WELLER ST	48504
LF93551	24-Nov-15	LEAD	0.003	318 BUCKINGHAM AVE (#2)	48507
LF93557	24-Nov-15	LEAD	0.003	1302 BLANCHARD AVE	48503
LF93579	24-Nov-15	LEAD	0.003	1807 WOODLIN DR	48504
LF94264	02-Dec-15	LEAD	0.003	322 FERNDAL PLACE	48503
LF94266	02-Dec-15	LEAD	0.003	1402 EAST COURT ST	48503
LF94273	02-Dec-15	LEAD	0.003	1801 SENECA ST	48504
LF94292	02-Dec-15	LEAD	0.003	2721 COVENTRY CT	48503
LF95913	10-Dec-15	LEAD	0.003	2702 MACKIN RD	48504
LF95924	10-Dec-15	LEAD	0.003	429 BURROUGHS AVE	48507
LF97317	18-Dec-15	LEAD	0.003	1521 BROOKWOOD DR	48503
LF97329	18-Dec-15	LEAD	0.003	1102 SOUTH DR	48503
LF97334	18-Dec-15	LEAD	0.003	224 E COURT APT 107	48502
LF97918	29-Dec-15	LEAD	0.003	1839 OAK BROOK CIR	
LF97925	29-Dec-15	LEAD	0.003	1223 BENNETT AVE	
LF97939	29-Dec-15	LEAD	0.003	1201 N GRAND TRAVERSE B	48503
LF97948	29-Dec-15	LEAD	0.003	3800 RICHFIELD RD #513	
LF97959	29-Dec-15	LEAD	0.003	1201 N GRAND TRAVERSE	48503
LF97977	29-Dec-15	LEAD	0.003	605 JOSEPHINE	
LF97983	29-Dec-15	LEAD	0.003	2302 MOUNTAIN AVE	48503
LF90460	04-Nov-15	LEAD	0.004	3510 ROBIN ST	48505
LF90463	04-Nov-15	LEAD	0.004	1014 BARRINGTON DR	
LF92704	18-Nov-15	LEAD	0.004	2020 CROOKED LN	48503
LF92731	18-Nov-15	LEAD	0.004	919 GLADWYN ST/MAIL TO 3302	48504
LF93564	24-Nov-15	LEAD	0.004	1410 BLUEBERRY LN/5	48507
LF93574	24-Nov-15	LEAD	0.004	3709 CIRCLE DR	48507
LF94302	02-Dec-15	LEAD	0.004	1934 CAMBRIDGE AVE	48503
LF95917	10-Dec-15	LEAD	0.004	3748 GLOUCESTER	
LF95922	10-Dec-15	LEAD	0.004	1909 WABASH	48505
LF97957	29-Dec-15	LEAD	0.004	1201 N GRAND TRAVERSE	
LF97963	29-Dec-15	LEAD	0.004	1230 DUPONT ST	
LF97964	29-Dec-15	LEAD	0.004	2380 NOLEN DR	48504
LF97981	29-Dec-15	LEAD	0.004	2610 M L KING AVE SALEM LUTHERAN	
LF91276	09-Nov-15	LEAD	0.005	746 S SAGINAW ST	48502
LF92710	18-Nov-15	LEAD	0.005	1262 GRACELAWN	48505
LF93556	24-Nov-15	LEAD	0.005	1410 BLUEBERRY LN/3	48507
LF93558	24-Nov-15	LEAD	0.005	318 BUCKINGHAM AVE #5	48507

Home Owner Results - Samples Submitted 11-1-15 Through 12-29-15

SAMPLE NUMBER	DATE SUBMITTED	ANALYTE	RESULT	ADDRESS	ZIP CODE
LF93559	24-Nov-15	LEAD	0.005	318 BUCKINGHAM #1	
LF93562	24-Nov-15	LEAD	0.005	1410 BLUEBERRY LN/4	48507
LF94261	02-Dec-15	LEAD	0.005	314 WESTCOMBE AVE	48503
LF94279	02-Dec-15	LEAD	0.005	1202 BEARD ST	48503
LF95911	10-Dec-15	LEAD	0.005	2821 BRANDON ST	48503
LF95914	10-Dec-15	LEAD	0.005	3517 MILLER RD	48503
LF97346	18-Dec-15	LEAD	0.005	1926 CAMBRIDGE AVE	48503
LF97949	29-Dec-15	LEAD	0.005	1926 HOWARD AVE BLDG 11	
LF90462	04-Nov-15	LEAD	0.006	2621 DELAWARE AVE	48506
LF92734	18-Nov-15	LEAD	0.006	1320 BEARD ST	48503
LF93555	24-Nov-15	LEAD	0.006	1410 BLUEBERRY LN/2	48507
LF94262	02-Dec-15	LEAD	0.006	629 ROOME CT	48503
LF95931	10-Dec-15	LEAD	0.006	213 FOSS AVE	48505
LF97943	29-Dec-15	LEAD	0.006	801 FLORAL PARK	
LF93587	24-Nov-15	LEAD	0.007	2020 MILLER RD	48503
LF93566	24-Nov-15	LEAD	0.008	2630 PARKSIDE DR	
LF93576	24-Nov-15	LEAD	0.008	KITCHEN	48504
LF93590	24-Nov-15	LEAD	0.008	3113 ARIZONA AVE	48506
LF94282	02-Dec-15	LEAD	0.008	620 LINCOLN	58507
LF97328	18-Dec-15	LEAD	0.008	1201 ALVORD AVE	48507
LF97331	18-Dec-15	LEAD	0.008	2830 EPSILON TRAIL	
LF97347	18-Dec-15	LEAD	0.008	119 GRACE ST	48503
LF97923	29-Dec-15	LEAD	0.008	1201 N GRAND TRAVERSE	48503
LF97971	29-Dec-15	LEAD	0.008	2610 ML KING AVE	
LF93553	24-Nov-15	LEAD	0.009	318 BUCKINGHAM #4	48507
LF95915	10-Dec-15	LEAD	0.009	2013 E COURT ST	48503
LF97342	18-Dec-15	LEAD	0.009	415 W 2ND STREET	
LF97922	29-Dec-15	LEAD	0.009	1201 N GRAND TRAVERSE	48503
LF97946	29-Dec-15	LEAD	0.009	1201 N GRAND TRAVERSE O	
LF94277	02-Dec-15	LEAD	0.010	3401 LEITH ST	48506
LF95927	10-Dec-15	LEAD	0.011	720 COMMONWEALTH AVE	48503
LF97349	18-Dec-15	LEAD	0.011	906 MARQUETTE ST	48504
LF97920	29-Dec-15	LEAD	0.011	1918 LEITH ST	48506
LF97978	29-Dec-15	LEAD	0.011	2005 BARTH ST	48504
LF94271	02-Dec-15	LEAD	0.012	314 FERNDAL	48503
LF95933	10-Dec-15	LEAD	0.012	3014 CHEYENNE AVE	48507
LF97927	29-Dec-15	LEAD	0.012	1201 N GRAND TRAVERSE	
LF97980	29-Dec-15	LEAD	0.012	2610 M L KING SALEM LUTHERAN	48505
LF97976	29-Dec-15	LEAD	0.015	2610 M L KING AVE	48505
LF95908	10-Dec-15	LEAD	0.017	2030 FERRIS AVE	48503

Home Owner Results - Samples Submitted 11-1-15 Through 12-29-15

SAMPLE NUMBER	DATE SUBMITTED	ANALYTE	RESULT	ADDRESS	ZIP CODE
LF97938	29-Dec-15	LEAD	0.017	1201 N GRAND TRAVERSE	48503
LF93575	24-Nov-15	LEAD	0.018	428 CRAPO	
LF93565	24-Nov-15	LEAD	0.022	1014 DELL AVE	48507
LF97961	29-Dec-15	LEAD	0.022	7002 PEMBERTON DR BLDG 2	48505
LF90464	04-Nov-15	LEAD	0.027	UNKNOWN	
LF93560	24-Nov-15	LEAD	0.028	1410 BLUEBERRY LN/1	48507
LF97935	29-Dec-15	LEAD	0.029	1201 N GRAND TRAVERSE E	48503
LF94260	02-Dec-15	LEAD	0.030	402 ALLENDALE PL	48503
LF91279	09-Nov-15	LEAD	0.033	227 E ALMA AVE	48505
LF92733	18-Nov-15	LEAD	0.036	1134 SIMCOE AVE	48507
LF97351	18-Dec-15	LEAD	0.040	1642 BELLE AVE	48506
LF97350	18-Dec-15	LEAD	0.041	1918 LEITH 1	48506
LF93552	24-Nov-15	LEAD	0.042	318 BUCKINGHAM #3	48507
LF97924	29-Dec-15	LEAD	0.042	1201 N GRAND TRAVERSE	48503
LF91272	09-Nov-15	LEAD	0.050	1426 MAPLEWOOD AVE	48506
LF93584	24-Nov-15	LEAD	0.055	2521 TRUMBULL AVE	48504
LF97954	29-Dec-15	LEAD	0.213	1201 N GRAND TRAVERS	48505
LF97945	29-Dec-15	LEAD	2.516	1201 N GRAND TRAVERSE	

Redacted Pages 42-43

From: Posthumus, Dick (GOV)
Sent: Monday, January 26, 2015 10:47 AM
To: Ackerman, Darin (GOV); Durfee, Sally (GOV)
Subject: FW: Draft Priorities list
Attachments: 2015 Priorities draft v1.1 150124.docx

-----Original Message-----

From: Snyder, Rick (GOV)
Sent: Saturday, January 24, 2015 11:18 AM
To: Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Calley, Brian (GOV); Walsh, John (GOV); Agen, Jarrod (GOV); Posthumus, Dick (GOV)
Cc: Scott, Allison (GOV)
Subject: Draft Priorities list

Please find attached a draft list of 2015 priorities for your review and comment.

At least we can't be accused of slowing down in term two. Dog years are alive and well!

Thanks
Rick

Top Priorities

Redacted

Messages/Summits

Redacted

Legislative Priorities

Redacted

Executive Branch Priorities

Redacted

Local Priorities

Redacted

36. Flint water system

Redacted

Federal Priorities

Redacted

Trips

Redacted

From: Snyder, Rick (GOV)
Sent: Monday, November 02, 2015 10:13 PM
To: Roberts, John (DTMB)
Cc: Snyder, Rick (GOV)
Subject: Preliminary budget review
Attachments: Statewide F17 Requests G1 151102.xlsx

Please see the attached. Let's discuss.

Thanks
Rick

Redacted pages 1-21

Redacted

145				IT Related (yes or no)	ONGOING AGENCY REQUEST (\$ in Thousands)	
146						
147						
148		Agency	Investment Request		GF/GP	SAF

149	Redacted					
150	55	Environmental Quality	Flint Water Issues (pass through funding to Genesee County Health Department for water testing and monitoring as well as funding for a Flint Action Plan Coordinator)	no	\$0.0	

151	Redacted					
152						
153						
154						

Redacted

		ONE-TIME AGENCY REQUEST (\$ in Thousands)			Agency Priority	SBO Preliminary Recommend	Governor Priority	GOVERNOR'S RECOMMEND ONGOING (\$ in Thousands)			GOVERNOR'S RECOMMEND ONE-TIME (\$ in Thousands)
145											
146											
147											
148	Gross	GF/GP	SAF	Gross				GF/GP	SAF	Gross	GF/GP

149	Redacted										
150	\$0.0	\$300.0		\$300.0	2 of 4	High; explore use of restricted revenues		\$0.0		\$0.0	\$300.0

151	Redacted										
152											
153											
154											

Redacted

145		
146		
147		
148	SAF	Gross
Redacted		
		\$300.0
150		

Redacted

Redacted Pages 25-75

From: Roberts, John (DTMB)
Sent: Monday, December 14, 2015 5:20 PM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Agen, Jarrod (GOV); Clement, Elizabeth (GOV); Duncan, Nancy (DTMB)
Subject: FY15 Unaudited Bookclosing Revenues and Expenditure Lapses
Attachments: Statewide F17 Requests_2015-12-14.xlsx; Governor's Materials 12.14.15.pdf

Importance: High

Governor,

Please find attached:

1.

Redacted

Virtually all of the GF FY16

supplemental needs and FY17 baseline needs are attributable to DHHS, which we will discuss with you tomorrow.

2.

Redacted

3.

Redacted

I look forward to talking with you about this at our meeting on Thursday.

John

Redacted pages 1-18

Redacted

				IT Related (yes or no)	ONGOING AGENCY REQUEST (\$ in Thousands)
149					
150					
151					
152		Agency	Investment Request		GF/GP
153	54	Environmental Quality	Drinking Water Revolving Fund Loan Program - provide 20% state match to obtain available federal grants	no	\$2,950.0
154	55	Environmental Quality	Flint Water Issues (pass through funding to Genesee County Health Department for water testing and monitoring as well as funding for a Flint Action Plan Coordinator)	no	\$0.0
155		<h1>Redacted</h1>			
156					

Redacted

			ONE-TIME AGENCY REQUEST (\$ in Thousands)			Agency Priority	SBO Preliminary Recommend	Governor Priority	GOVERNOR'S RECOMMEND ONGOING (\$ in Thousands)
149									
150									
151									
152	SAF	Gross	GF/GP	SAF	Gross				GF/GP
153	Redacted								
154		\$0.0	\$300.0		\$300.0	2 of 4	High; restricted revenues not available		\$0.0
155	Redacted								
156									

Redacted

			GOVERNOR'S RECOMMEND ONE-TIME (\$ in Thousands)		
149					
150					
151					
152	SAF	Gross	GF/GP	SAF	Gross
153	Redacted				
		\$0.0	\$300.0		\$300.0
154					
155	Redacted				
156					

Redacted pages 22-75



Budget Overview

December 14, 2015

Balance Sheets	2
Investment Reduction List	4
Proposal to Balance	40

GENERAL FUND/GENERAL PURPOSE
Fiscal Year 2015 through Fiscal Year 2018
(\$ in millions)

Fiscal Year 2017 and 2018
Budget Development

FY 2015 Estimated	FY 2016 Enacted	FY 2017 Planning	FY 2018 Planning
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Redacted pages 2-11

FY2017 INVESTMENT REQUESTS AND REDUCTION PROPOSALS

Updated 14-Dec-15

changes from previous report

Redacted

	Agency	Investment Request	IT Related (yes or no)	ONGOING AGENCY REQUEST (\$ in Thousands)			ONE-TIME AGENCY REQUEST (\$ in Thousands)			Agency Priority	SBO Preliminary Recommend	Governor Priority	GOVERNOR'S RECOMMEND ONGOING (\$ in Thousands)			GOVERNOR'S RECOMMEND ONE-TIME (\$ in Thousands)		
				GF/GP	SAF	Gross	GF/GP	SAF	Gross				GF/GP	SAF	Gross	GF/GP	SAF	Gross
54	Redacted																	
55	Environmental Quality	Flint Water Issues (pass through funding to Genesee County Health Department for water testing and monitoring as well as funding for a Flint Action Plan Coordinator)	no	\$0.0		\$0.0	\$300.0		\$300.0	2 of 4	High; restricted revenues not available		\$0.0		\$0.0	\$300.0		\$300.0
56	Redacted																	
57																		
58																		

Redacted Pages 13-40

From: Roberts, John (DTMB)
Sent: Wednesday, December 16, 2015 8:00 PM
To: Snyder, Rick (GOV)
Cc: Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Agen, Jarrod (GOV); Scott, Allison (GOV); Duncan, Nancy (DTMB)
Subject: Updated Investment/Reduction List
Attachments: Statewide F17 Requests_2015-12-16.xlsx; ATT00001.txt

Redacted

Redacted pages 1-18

Redacted

149				IT Related (yes or no)	ONGOING AGENCY REQUEST (\$ in Thousands)
150					
151					
152		Agency	Investment Request		GF/GP
153		Redacted			
154	55	Environmental Quality	Flint Water Issues (pass through funding to Genesee County Health Department for water testing and monitoring as well as funding for a Flint Action Plan Coordinator)	no	\$0.0
155		Redacted			
156					

Redacted

			ONE-TIME AGENCY REQUEST (\$ in Thousands)			Agency Priority	SBO Preliminary Recommend	Governor Priority	GOVERNOR'S RECOMMEND ONGOING (\$ in Thousands)
149									
150									
151									
152	SAF	Gross	GF/GP	SAF	Gross				GF/GP
153	Redacted								
154		\$0.0	\$300.0		\$300.0	2 of 4	High; restricted revenues not available		\$0.0
155	Redacted								
156									

Redacted

			GOVERNOR'S RECOMMEND ONE-TIME (\$ in Thousands)		
149					
150					
151					
152	SAF	Gross	GF/GP	SAF	Gross
153	Redacted				
		\$0.0	\$300.0		\$300.0
154					
155	Redacted				
156					

Redacted Pages 22-78

Attachment Redacted as Irrelevant

From: Snyder, Rick (GOV)
Sent: Wednesday, December 16, 2015 10:36 PM
To: Snyder, Rick (GOV)
Subject: Budget investments update attached
Attachments: Statewide F17 Requests_2015-12-16 RS edits.xlsx

	A	B	C	D	E	F	G	H
1	FY 2017 BUDGET DEVELOPMENT							
2	INVESTMENT REQUESTS AND REDUCTION PROPOSALS							
3	(amounts in thousands)							
4								
5		Investment Requests						
6		Ongoing Funding			One-Time Funding			
7		GF/GP	SAF	Gross	GF/GP	SAF	Gross	

Redacted pages 1-18

Redacted

149				IT Related (yes or no)	ONGOING AGENCY REQUEST (\$ in Thousands)
150					
151					
152		Agency	Investment Request		GF/GP
153		Redacted			
154	55	Environmental Quality	Flint Water Issues (pass through funding to Genesee County Health Department for water testing and monitoring as well as funding for a Flint Action Plan Coordinator)	no	\$0.0
155		Redacted			
156					

Redacted

			ONE-TIME AGENCY REQUEST (\$ in Thousands)			Agency Priority	SBO Preliminary Recommend	Governor Priority	GOVERNOR'S RECOMMEND ONGOING (\$ in Thousands)
149									
150									
151									
152	SAF	Gross	GF/GP	SAF	Gross				GF/GP

153 Redacted

154		\$0.0	\$300.0		\$300.0	2 of 4	High; restricted revenues not available		\$0.0
-----	--	-------	---------	--	---------	--------	--	--	-------

155 Redacted

156

Redacted

			GOVERNOR'S RECOMMEND ONE-TIME (\$ in Thousands)		
149					
150					
151					
152	SAF	Gross	GF/GP	SAF	Gross
153	Redacted				
154		\$0.0	\$300.0		\$300.0
Redacted					

Redacted Pages 22-78

From: Snyder, Rick (GOV)
Sent: Thursday, December 17, 2015 11:59 AM
To: Calley, Brian (GOV); Agen, Jarrod (GOV); Clement, Elizabeth (GOV); Muchmore, Dennis (GOV); Scott, Allison (GOV)
Subject: COS items

Here are some COS items to cover:

Redacted

Current priority projects:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.

Redacted

Flint Water

Redacted

SOS related:

- 1.
- 2.
- 3.

Redacted

Thanks
Rick

From: Roberts, John (DTMB)
Sent: Friday, December 18, 2015 8:19 PM
To: Snyder, Rick (GOV)
Cc: Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Agen, Jarrod (GOV); Scott, Allison (GOV); Duncan, Nancy (DTMB)
Subject: Updated Investment Spreadsheets
Attachments: Statewide F17 Requests_2015-12-18.pdf; Statewide F17 Requests_2015-12-18.xlsx; ATT00001.txt

Governor –

Attached is an updated version of the investment/reduction list. We have modified the list to reflect the directions that you gave us this week. Changes from the prior version are highlighted in green.

Redacted

As usual, I have attached the files in PDF and Excel. Let me know if you have any questions or concerns.

John

Redacted pages 1-8

FY2017 INVESTMENT REQUESTS AND REDUCTION PROPOSALS

Updated 18-Dec-15

Strawman
Strawman - one-time FY17, ongoing in FY18
Changes for 12/18/15

Ongoing	\$91,600.0	Available GF & SAF Revenue	\$669,100.0	One-time
	(\$20,629.5)	Remaining after Gov Dec	\$37,213.1	
Total Difference (Ongoing + One-Time)		\$16,583.6		

Agency	Investment Request	IT Related (yes or no)	ONGOING AGENCY REQUEST (\$ in Thousands)			ONE-TIME AGENCY REQUEST (\$ in Thousands)			Agency Priority	SBO Preliminary Recommend	Governor Priority	GOVERNOR'S RECOMMEND ONGOING (\$ in Thousands)			GOVERNOR'S RECOMMEND ONE-TIME (\$ in Thousands)			
			GF/GP	SAF	Gross	GF/GP	SAF	Gross				GF/GP	SAF	Gross	GF/GP	SAF	Gross	
54	Redacted																	
55	Environmental Quality	Flint Water Issues (pass through funding to Genesee County Health Department for water testing and monitoring as well as funding for a Flint Action Plan Coordinator)	no	\$0.0		\$0.0	\$300.0		\$300.0	2 of 4	High; restricted revenues not available		\$0.0		\$0.0	\$300.0		\$300.0
56	Redacted																	
57																		
58																		

Redacted Pages 11-36

	A	B	C	D	E	F	G	H
1	FY 2017 BUDGET DEVELOPMENT							
2	INVESTMENT REQUESTS AND REDUCTION PROPOSALS							
3	(amounts in thousands)							
4								
5		Investment Requests						
6		Ongoing Funding			One-Time Funding			
7		GF/GP	SAF	Gross	GF/GP	SAF	Gross	

Redacted pages 1-18

Redacted

151				IT Related (yes or no)	ONGOING AGENCY REQUEST (\$ in Thousands)
152					
153					
154		Agency	Investment Request		GF/GP
155		Redacted			
156	55	Environmental Quality	Flint Water Issues (pass through funding to Genesee County Health Department for water testing and monitoring as well as funding for a Flint Action Plan Coordinator)	no	\$0.0
157		Redacted			

Redacted

			ONE-TIME AGENCY REQUEST (\$ in Thousands)			Agency Priority	SBO Preliminary Recommend	Governor Priority	GOVERNOR'S RECOMMEND ONGOING (\$ in Thousands)
151									
152									
153									
154	SAF	Gross	GF/GP	SAF	Gross				GF/GP
155	Redacted								
156		\$0.0	\$300.0		\$300.0	2 of 4	High; restricted revenues not available		\$0.0
157	Redacted								

Redacted

			GOVERNOR'S RECOMMEND ONE-TIME (\$ in Thousands)		
151					
152					
153					
154	SAF	Gross	GF/GP	SAF	Gross
155	Redacted				
156		\$0.0	\$300.0		\$300.0
157	Redacted				

Redacted Pages 22-80

Attachment Redacted as Irrelevant

From: Snyder, Rick (GOV)
Sent: Monday, December 21, 2015 9:28 AM
To: Roberts, John (DTMB); Duncan, Nancy (DTMB)
Cc: Scott, Allison (GOV); Snyder, Rick (GOV)
Subject: Updated budget worksheet attached
Attachments: Statewide F17 Requests_2015-12-19 Gov edits.xlsx

Redacted

Thanks
Rick

	A	B	C	D	E	F	G	H
1	FY 2017 BUDGET DEVELOPMENT							
2	INVESTMENT REQUESTS AND REDUCTION PROPOSALS							
3	(amounts in thousands)							
4								
5		Investment Requests						
6		Ongoing Funding			One-Time Funding			
7		GF/GP	SAF	Gross	GF/GP	SAF	Gross	

Redacted pages 1-18

Redacted

151				IT Related (yes or no)	ONGOING AGENCY REQUEST (\$ in Thousands)
152					
153					
154		Agency	Investment Request		GF/GP
155		Redacted			
156	55	Environmental Quality	Flint Water Issues (pass through funding to Genesee County Health Department for water testing and monitoring as well as funding for a Flint Action Plan Coordinator)	no	\$0.0
157		Redacted			

Redacted

			ONE-TIME AGENCY REQUEST (\$ in Thousands)			Agency Priority	SBO Preliminary Recommend	Governor Priority	GOVERNOR'S RECOMMEND ONGOING (\$ in Thousands)
151									
152									
153									
154	SAF	Gross	GF/GP	SAF	Gross				GF/GP
155	Redacted								
156		\$0.0	\$300.0		\$300.0	2 of 4	High; restricted revenues not available		\$0.0
157	Redacted								

Redacted

			GOVERNOR'S RECOMMEND ONE-TIME (\$ in Thousands)		
151					
152					
153					
154	SAF	Gross	GF/GP	SAF	Gross
155	Redacted				
		\$0.0	\$300.0		\$300.0
156	Redacted				

Redacted Pages 22-81

From: Dillon, Andy (Treasury)
Sent: Sunday, March 17, 2013 5:14 PM
To: Snyder, Rick (GOV); Muchmore, Dennis (GOV)
Cc: Stibitz, Brom (Treasury); Saxton, Thomas (Treasury); Roberts, John (GOV)
Subject: Fwd: March Treasurer's Governor's Memorandum
Attachments: Treasurer's Governor's Memorandum 3-15-13.docm

Governor,

Attached is the monthly local government update memo. As we discussed, I am not happy with the progress we are making revamping this department and will be taking a more hands on approach going forward. This is the third draft of this month's memo and it still lacks the concrete specifics I believe you expect and need. It will be more timely and have more concrete milestones going forward. However, as I know you like to catch up on your reading on the weekends, I am sending it despite the fact it is not ready for prime time.

Some of the items I don't like in the attached are:

It says we will meet with EMs over the next couple months, it won't take that long.

Flint summary says no near term exit despite Governor and Mayor's contrary wishes. I will dig into this more deeply and report back. KWA misrepresented based on my mtg w engineering firm this week. Report I got is that Flint should stay w DWSD.

Redacted

Regards,

Andy

Sent from my iPad

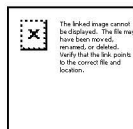
Begin forwarded message:

From: "Koryzno, Edward (Treasury)" <KoryznoE@michigan.gov>
Date: March 15, 2013 9:07:04 AM EDT
To: "Dillon, Andy (Treasury)" <DillonA2@michigan.gov>, "Fraser, Roger (Treasury)" <FraserR1@michigan.gov>, "Stibitz, Brom (Treasury)" <StibitzB@michigan.gov>
Subject: March Treasurer's Governor's Memorandum

Final version attached w/o dashboards.

Edward B. Koryzno, Jr. | Administrator - Office of Fiscal Responsibility

State of Michigan | 430 W. Allegan Street, 1st Floor | Lansing, MI 48922



(517) 373-4415 | (517) 373-0633 (fax)

KoryznoE@michigan.gov



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Thank you



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

ANDY DILLON
STATE TREASURER

DATE: March 15, 2013

TO: Governor Rick Snyder

FROM: Andy Dillon, State Treasurer

SUBJECT: Status of Financially Distressed Local Governments

FEBRUARY

JANUARY

	Cities			Cities		
EM/EFM	5			5		
Consent Agreement	3			3		
Watch List	5			5		

Per your request, this memorandum summarizes the status of selected financially distressed units of local government. The following units of local government now are subject to Public Act 72 of 1990, the Local Government Fiscal Responsibility Act.

GENERAL ISSUES

Cities Close to an Exit by EFM:

Ecorse – While most of the financial issues are resolved, the City Council without the State's involvement, has the authority, through practice and a loosely worded city charter, to meddle in the day-to-day operations of the City, including selecting and supervising staff and setting their pay. Efforts to obtain a voluntary Inter Local Agreement have been frustrated by the unwillingness of a majority of Council to see the need for the oversight contemplated by the ILA. While we continue to work on a compromise, worst case is that we will impose a transition advisory board (TAB) under PA 436 in late March.

Pontiac – As explained below, Mr. Schimmel has a short list of projects to complete before he leaves this summer. Imposition of a TAB will be recommended.

Retiree Health Care – In most of the EFM cities, and certainly in those cities that are struggling but not yet in receivership, the cost of promised retiree health care is a major concern. In Pontiac and Flint where changes in retiree health care were imposed under PA 4, lawsuits are pending leaving the effects of those changes uncertain. In Pontiac, the annual liability is about \$6.0 million, which is also the amount of the City's current annual operating deficit. Allen Park's annual liability is

approximately \$2.5 million and Flint's is nearly \$20 million, half of which is in the general fund. While Flint and Pontiac have each taken steps to reduce the annual expense of the health coverage the retirees enjoy, those changes are being challenged. In most of our EFM cities, this issue is a difficult obstruction to fiscal balance. Pontiac, our most extreme case, has 52 current employees in the health care system compared to approximately 1200 retirees receiving health care. Treasury is working to develop a standard process to use when addressing retiree health care spending.

EFM Exit Strategy – Treasury will be meeting individually with each EFM during the next two months to develop a timeline for them to exit the local unit. This timeline will include the specific financial and operational issues that must be resolved in order to exit; target dates for issue resolution; and a benchmarking component. Additionally, Treasury is crafting a list of criteria for each EFM city which establishes success and serves as benchmarks for returning each unit to local control.

EMERGENCY MANAGER – Cities

City of Allen Park

Update: Joyce Parker was appointed Emergency Financial Manager by the Emergency Loan Board on October 25, 2012, with duties beginning October 29. She also serves, part-time, as the Emergency Financial Manager for the City of Ecorse.

For fiscal year ending June 30, 2012, the City had an operating surplus of \$2,973,862, or 18% of general fund revenues of \$16,202,731. However, when transfers out of the general fund are taken into account, the financial picture is much worse. The City transferred \$4.7 million (net of transfers in) from the general fund, including a \$2.4 million transfer associated with studio debt and a \$2.5 million transfer to cover retirement health care. Based on these numbers, the City's unrestricted accumulated general fund deficit is \$1,090,225 or 6.7% of revenues.

Treasury is exploring the potential to restructure the studio debt. The EFM has listed the movie studio property for sale and is preparing a detailed Deficit Elimination Plan. The City's financial distress is exacerbated by the minimum staffing requirements contained in the public safety collective bargaining agreements and the cost of retiree health care.

The Road Out: With our recent entrance into Allen Park, several general strategies are in play. As noted above, the budget is in deficit primarily because of the movie studio debt and the retiree health care obligations. However, labor contracts have minimum manning provisions that need to be resolved, and there are several areas of ongoing expense that can be reduced. Among other things, the EFM's draft deficit elimination plan also includes personnel reductions (including police and fire), wage reductions, pension plan changes, active and retiree health care changes, reduction in sick days and holiday payouts, and revenue enhancements for rubbish and lights. Ms. Parker believes that it may be possible to balance these financial issues short of bankruptcy. However, that option is also being explored. Allen Park's exit from Emergency Manager status will

likely depend on Treasury's ability to restructure the City's movie studio debt and make significant adjustments to the City's retiree healthcare liabilities.

City of Benton Harbor

Joe Harris was appointed Emergency Financial Manager on August 8, 2012. The Emergency Loan Board terminated Mr. Harris' contract effective January 31, 2013 and appointed Mr. Tony R. Saunders II as the new EFM effective February 1, 2013.

For the fiscal year ending June 30, 2012, Benton Harbor had an operating shortfall of \$1,125,798, exceeding general fund revenues of \$6,555,653 by 17%. The unrestricted accumulated general fund deficit is \$2,285,483 or 34% of general fund revenues. The unrestricted deficit increased slightly over 2011 by approximately \$56,000.

Update: The new EFM has established a working relationship with the City Commission which has resulted in the Commission approving a resolution of support placing a millage proposal on the May ballot. The millage proposal, if approved, replaces the 10 mill special assessment levied during December 2012, with a 10 mill operating levy. The proposal will also include asking voters for a 3 mill increase. The EFM has requested and received an advancement of the April and June revenue sharing payments to address the cash shortage. A \$2.5 million emergency loan application is anticipated during July.

The Road Out: Mr. Saunders is reviewing all City operational expenses in an effort to rationalize annual expenses and eliminate deficit spending. The large amount of accounts payable is a near-term focus. The water plant is a major liability, particularly since users in Benton and St. Joseph Townships have withdrawn from the system due to ongoing political and financial management concerns. The City charter needs to be updated, the performance of City Council needs to be improved, and ongoing liabilities for retiree health care are also an issue. OFR staff are working with the new EM on the water/sewer system debt, transfer of the pension system to MERS and reductions in staff. Treasury had anticipated that withdrawal from the City would be a near-term possibility if charter issues could be overcome. However, these recent revenue issues and the demise of the water system customer base, make a near-term exit more challenging. The new EM understands our desire to make an exit as soon as possible.

City of Ecorse

Joyce Parker was appointed Emergency Financial Manager on August 8, 2012 by the Emergency Loan Board. She was first appointed Emergency Financial Manager on October 30, 2009. She continues to serve Ecorse on a part-time basis while she also serves as Emergency Financial Manager for the City of Allen Park.

City Council is cool toward an interlocal agreement proposed by Treasury that would create an advisory board under the Urban Cooperation Act, PA 7 of 1967 (Ex. Session) and create a seamless transition process away from an EFM, allowing Ms. Parker to end

her service there. A majority of Council believe such an advisory board is unnecessary. Treasury staff is redrafting the ILA to address some of the suggestions made by the AG. The revised agreement will be reviewed with the Council.

For the fiscal year ending June 30, 2012 the City had a general fund balance of \$2,419,220 or 18.8% of general fund revenues of \$12,904,604 and experienced an operating surplus for the first time in several years.

The Road Out: The work of the EFM is essentially done. The remaining concern is with the City Council and the City charter language which allows substantial day-to-day involvement of the City Council. Discussions continue on an interlocal agreement to establish a Transition Advisory Board, as explained above. If this voluntary approach is not successful, a TAB can be imposed with the advent of PA 436 in late March.

City of Flint

Edward Kurtz was appointed Emergency Financial Manager on August 8, 2012 by the Emergency Loan Board. He succeeded Mike Brown who was appointed Emergency Manager on November 29, 2011. The Emergency Financial Manager is anticipated to be in Flint for more than one year. Mr. Kurtz is taking a minimal salary as EFM, while Mike Brown now works as City Administrator, appointed by Mr. Kurtz. It is assumed that Mike Brown will be reappointed as EM in late March, and that Mr. Kurtz will be retained until June to consult with the City on the FY 2014 budget.

For fiscal year ending June 30, 2012, the City incurred a general fund operating shortfall of \$10,169,828 exceeding general fund revenues of \$51,497,686 by 20%. This resulted in an unrestricted accumulated general fund deficit of \$19,184,850, which is 37% of general fund revenues.

Update: The City of Flint has been participating with Genesee County on the feasibility of the City's use of a planned water pipe line from Lake Huron that would serve a large portion of Genesee County as an alternative to water supplied by DWSD. An engineering firm selected by Treasury to conduct an independent evaluation of Flint's choices for water supply presented their findings on December 18th. This is a critical long-term decision for Flint and the region. The economics show that but for the excess cost of DWSD water during the three year construction period of the Karegnondi Water Authority (KWA) pipeline, the City will benefit from lower water costs in the long term by using the KWA water and treating the water in Flint at their own, existing, water treatment plant. A recent proposal shows that with cooperative efforts with the County, those excess costs can be further minimized.

The Budget for the current fiscal year encompasses both revenue increases and expenditure reductions in an effort to achieve a balanced budget. For example, the budget includes assessments for waste collection, for the operation, maintenance, and improvement of street lights, and a 25 percent increase in water and sewer rates. Voters overwhelmingly approved a 6 mill public safety millage in November that will substantially improve the FY 14 budget.

On the expenditure reduction side, the budget reduces the City's workforce by 150 positions (20 percent), and includes employee concessions and a restructuring of employee health care benefits. Retiree health care has been eliminated for future employees. Litigation is pending in federal court to preclude changes to retiree health care. The Emergency Financial Manager estimates that retiree health care costs will increase by \$3.5 million during the current fiscal year if he is prevented from implementing the planned changes.

The City has recently submitted a five year deficit elimination plan that anticipates submittal of an emergency loan application of \$12 million to address the accumulated deficit. The remainder of the unrestricted accumulated general fund deficit will be eliminated through \$7.1 million in reductions. The City has not yet identified specific cuts but will do so as it works through the development of its fiscal year 2014 budget. The Department is assisting the City with the identification of possible reductions.

The City's first contract with a private a solid waste removal firm was recently implemented. Republic Services hired 20 of the 24 former city employees who provided this service. Republic also purchased a number of former city waste vehicles and will implement recycling services during the summer of 2013. The transition has progressed smoothly.

The Road Out: This is the first year of the EFM's balanced budget and they are currently on track with the budget. Major remaining issues are resolving public safety staffing and effectiveness; establishing new and cooperative approaches to water and sewer services; funding and maintaining infrastructure; defining and sustaining blight eradication strategies; and funding OPEB liabilities. Treasury will be meeting with Flint's EFM during the next month to develop a timeline for him to exit the local unit.

City of Pontiac

Lou Schimmel was appointed Emergency Financial Manager by the Emergency Loan Board on August 8, 2012. He was first appointed Emergency Manager on October 6, 2011. The Emergency Financial Manager is anticipated to complete his work by mid-2013, but a viable oversight mechanism, such as a Transition Advisory Board (TAB) under PA 436 of 2012, will be necessary for this to happen.

For fiscal year ending June 30, 2012, the City had an operating shortfall of \$1,249,049 exceeding general fund revenues of \$38,709,018 by 3%. This resulted in an unrestricted accumulated general fund deficit of \$4,748,117 or 12% of general fund revenues. For fiscal year 2013, the City's financial position will benefit from the transfer of the Pontiac Wastewater Treatment Plant. From the assets received, \$8.4 million was used to pay off a loan to the general fund from the water/sewer fund; \$6 million was used for retiree healthcare bringing the 2013 budget into balance; \$3.4 million will be applied to the accumulated deficit from fiscal year 2012.

The EFM reports that FY2014 would be balanced except for the \$6.0 million required for health care costs associated with retired non-public safety employees, and those who are still

active employees. Retired public safety employees (there are no active Pontiac public safety employees) are covered by an existing VEBA.

The Emergency Financial Manager continues to minimize the number of unused vacant properties in the City that are city-owned. The demolition of the Phoenix Center and sale of land project remains on hold after Oakland County Circuit Court Judge Michael Warren issued an injunction barring the City from demolishing the Phoenix Center. Settlement negotiations are proceeding.

The partnership with Oakland County for a restructuring of the ownership of the Pontiac Wastewater Treatment Plant is essentially complete. The capitalization of assets created by the transfer generated approximately \$55 million, which was used to reduce bond debt related to Fiscal Stabilization bonds, Water Supply system, Sewage Disposal system, and Building Authority. The transaction has dramatically improved the City's cash position while also eliminating most of the City's outstanding debt, and preserving a reasonable fund for infrastructure maintenance within the City. It is also projected that Pontiac users of the system will enjoy significant reductions in their costs for sewer services in future years.

Update: The EFM continues to reduce general fund expenses. He has successfully negotiated cost reductions with the City's waste pickup contractor; secured agreement from the Chief Judge to control the City's subsidy to the 50th District Court by having the Court process its own employee payroll and pay court employees out of its own account instead of the City's general fund account; and he contracted out all remaining DPW services including the snow plowing of major streets with the Oakland County Road Commission.

The Road Out: Mr. Schimmel expects to leave this summer and strongly supports the use of a transition advisory board. His list of tasks remaining are: Phoenix Center Demolition; sale of DPW building to Consumers Energy; auction of surplus stuff; provide for the redevelopment of the Hayes Jones Community Center; sale of various properties, including golf course; and substantially reduce the \$6.0 million annual deficit related to retiree health care. Mr. Schimmel recently presented to Treasury a concept plan for utilizing apparent overfunding in two retirement plans to eliminate or dramatically reduce City costs for retiree health care. Treasury encouraged further refinement of the plan subject to certain conditions being addressed.

CONSENT AGREEMENT - CITIES

City of Detroit

For fiscal year ending June 30, 2012, the City had an operating surplus of \$105,842,769. However, when transfers out of the general fund are taken into account, the City's financial position is much worse. The City transferred \$236,542,790 with the largest transfer going to the transportation fund for \$87.2 million, \$61.2 million to the debt service fund, and \$80.9 million for interest payments on the pension obligation certificates. This resulted in an

unrestricted accumulated deficit of \$327,956,700 or 30% of general fund revenues of \$1,100,342,313.

The City continues to implement the “countermeasures” developed in order to net approximately \$117 million in cash improvements by June 30 and allow the City to maintain a positive (though minimal) cash position through the end of the fiscal year. Much of the cash savings are realized by deferring required payments into the next fiscal year.

On February 1, a first draft of the 5 year plan for the City was presented to the Review Team. The plan would eliminate the deficit within 5 years by significantly lowering employee costs. Changes include a reduction of an additional 500 FTEs, freezing all pension vesting for one year, moving all employees to a defined contribution plan after that, and capping health care expenditures at \$125 million a year (compared to a current spend of roughly \$190 million). Other potential savings being considered include additional headcount reductions/furloughs, asset sales, debt restructuring, and revenues. Update: As of early March, this has been expanded into a draft 10 year plan.

Update: Information provided by the City (but as yet unverified) indicates that the General Retirement System Pension Board has set aside \$3 million of pension funds to fund a lawsuit against an Emergency Financial Manager, if one is named.

Update: The Detroit Public Lighting Authority board held its first meeting on March 1. While the authority cannot draw utility tax revenues until bonds are issued, the immediate focus is on getting a loan from the general fund to replace 10-15,000 lights that are out due to operational issues (as opposed to underlying infrastructure issues).

Update: Judge Cox, who currently oversees the Detroit Water and Sewerage Department (DWSD), has expressed an interest in ending federal oversight. Although non-binding, this will require initial agreement among stakeholders about the path going forward. Treasury generally supports a proposal to move DWSD to a semiautonomous authority. This course may significantly benefit the City however; it is also Treasury’s position that the City’s investment banker (Miller Buckfire) conduct a thorough analysis of the various options available, so that no action would be taken that would foreclose on any possibility. The “Root Cause Committee” (consisting of members from the City’s Administration, City Council and the Water Board), has drafted a non-binding report to be presented to Judge Cox in support of the authority option. The Judge had set a March 15 deadline for completion of the report.

City of Inkster

The City of Inkster operates under a Consent Agreement which was implemented effective February 28, 2012.

For fiscal year ending June 30, 2012, the City had a general fund operating shortfall of \$3,171,524 or 19% of general fund revenues of \$15,859,971. The FY12 shortfall increased

the City's general fund unrestricted accumulated deficit to \$3,604,783 or 22% of general fund revenues.

For FY13, the City reduced staffing by 20% and made other expenditure reductions. Current budget forecasts suggest a year end deficit of \$1.7 million, consistent with the DEP. The most current budget to actual report shows the City's general fund breaking even instead of generating a \$600,000 surplus as budgeted. The City is preparing FY 2012-13 budget amendments which include proposed reductions of \$500,000. The projected loss in property value in the city for FY 2013-14 is 9.2%. The City's deficit elimination plan anticipates the FY14 budget will be balanced. Treasury is concerned about ongoing cooperation between the City Council and the city administration. City council's consideration of FY 2012-13 budget amendments at their 3/18/2013 meeting will be enlightening. Staff from OFR regularly visits Inkster.

City of River Rouge

The City of River Rouge operates under a consent agreement which was implemented effective December 15, 2009.

For fiscal year ending June 30, 2012, the City had a general fund operating surplus of \$1,302,690 or 11% of general fund revenues of \$11,989,601. The surplus has reduced the unrestricted accumulated general fund deficit to \$1,039,067 or 8.6% of general fund revenues of \$11,989,601. The 2012 accumulated deficit is approximately half of the previous year's deficit so progress is evident. However, the 2012 operating surplus is a result of the receipt of approximately \$1.9 million in legal settlements. Had the legal settlements not occurred, the 2012 accumulated deficit would be an estimated \$2,900,000. OFR staff visits with River Rouge and feels comfortable that their ongoing efforts to reduce costs, such as the recent implementation of a public safety officer model for combined police and fire services will help the City achieve its FY14 budget objective of balanced revenues and expenditures. Implementation of the Personal Property Tax reductions is anticipated to negatively impact the city. Efforts are underway to prepare more specific estimates of the impacts on both River Rouge and Ecorse, which have relied heavily on the PPT revenues from the Great Lakes steel mill.

LOCAL UNITS OF INTEREST

City of Hamtramck

For fiscal year ending June 30, 2012, the City had a general fund operating shortfall of \$3,303,385 which is 22% of general fund revenues of \$14,827,148. This deficit eliminated the general fund balance and resulted in an unrestricted accumulated deficit of \$753,733 or 5% of general fund revenues. The cause of the imbalance was the result of the loss of revenue due to the expiration of the Poletown tax increment financing agreement and the failure of the City to reduce its expenditures accordingly.

The City has submitted an application for an emergency loan for \$3 million. The Department is reviewing the application to determine if the City qualifies. In addition to the emergency loan, the City is pursuing the issuance of a tax anticipation note to address its cash shortage expected to occur during March 2013.

Late last year, the City Council voted to request a financial review by the State. Prior to initiating the requested review, Treasury asked for and the City has submitted a deficit elimination plan (DEP). The plan relies heavily on the receipt of an emergency loan, an increase in rental inspection fees, and an increase in traffic violation revenues. Given the inadequacy of the DEP, Treasury initiated a preliminary review on Monday; February 11 and staff has completed the report.

City of Highland Park¹

For fiscal year ending June 30, 2012, the City had a general fund operating surplus of \$1,293,462 or 12% of general fund revenues of \$10,718,332. This increased the City's unrestricted general fund balance to \$2,199,762 or 20% of general fund revenues. The positive fund balance is a result of the restatement of accrued state revenue from the fiscal year 2011 financial statements and, in large part, the forgiveness of a \$4 million payable due to DTE in 2011. Also a concern is the deficit in the water/sewer fund of approximately \$6.7 million and the unfunded pension liability of \$13.1 million. The unfunded liability for other post-employment benefits is \$26 million.

The City's updated general fund projections indicate the City will reach a deficit situation during FY 2018. However, these forecasts do not address the possible consequences of various debt coming due within the next two years. Office of Fiscal Responsibility staff is working with local officials to develop and implement cost savings.

Update: The City has discontinued using their water treatment plant after attempting to implement MDEQ mandated improvements to the plant. Initial improvements were estimated at \$340,000, but escalated to an estimated \$5.9 million after valves and other essential parts of the system were found to be inoperable. The estimated cost to demolish the facility is \$3.6 million. Currently, the City is purchasing water from DWSD. Negotiations continue between the City and DWSD with the intent of DWSD operating the City's water and sewer utility systems. One challenge to finalizing this arrangement is the \$8 million the City owes DWSD for sewage treatment. Treasury and City officials expect a proposal during April from DWSD which contains the prerequisites for a cooperative venture to proceed and also addresses the amortization of the City's sewer debt to the DWSD.

¹ Several EFM's have been appointed in Highland Park. While the financial emergency in the City remains in effect, no replacement EFM has been appointed. Treasury is working with the Mayor and Council, without an EFM appointment, to get the City out of the business of providing public services.

The Road Out: Highland Park's broken water system needs multiple strategies for resolution. DWSD is the major focus here for delivery of treated water and administration of water and sewer bills. The City's existing water treatment facilities are in need of demolition, which will be expensive. In addition to typical OPEB liabilities, H.P. also has a major, bank-funded debt because of a court order related to delinquent payments to police pension funds. That debt will need restructuring in the next 24 months. The continuing effort to minimize the services the City provides makes the City a prime candidate for participation in regional public safety.

The following units of local government are not currently subject to Public Act 72 of 1990, the Local Government Fiscal Responsibility Act:

Royal Oak Township

The township had an operating deficit of \$132,358 and an unrestricted general fund balance of a negative \$34,821 at year end 2011. The unrestricted deficit was 3.6% of general fund revenues. However, the operating deficit is 14% of general fund revenues. The unrestricted deficit decreased significantly from 2010 to 2011; a negative \$284,416 in 2010 to a negative \$34,821. This appears to be related, in part to a 2011 interfund transfer between the Parks and Recreation Fund (dedicated millage) and the Senior /Transportation fund. There is no money budgeted to repay the loan. There is also a loan with a local bank that was not obtained in accordance with regulations, as well as accusations of credit card misuse. Office of Fiscal Responsibility staff recently met with the newly elected Supervisor, Attorney and Financial consultant to discuss the Township's anticipated cash flow shortage during May. Subsequent discussion with staff from the Local Audit and Finance Division regarding potential borrowings by the Township also took place. Staff continues its discussions with the Supervisor, Treasurer and Clerk to improve the Township's financial practices.

City of Taylor

For fiscal year ending June 30, 2012, the City had a general fund operating shortfall of \$3,905,004 exceeding general fund revenues of \$40,444,430 by 9.6%. This excessive spending increased the general fund unrestricted accumulated deficit to \$5,359,732 from approximately \$1.7 million in 2011. The general fund borrowed \$2 million from the water and sewer funds with no apparent commitment for repayment within a prescribed time period.

The City fell short of its deficit elimination projections by a minimum of \$1.0 million. The majority of this can be attributed to Public Safety, which exceeded its budget expenditures by \$881,610. Consequently, the City has submitted an updated deficit elimination plan. Staff is reviewing the updated plan to determine if it is reasonable and achievable and will require the City to submit monthly reports to monitor its adherence to the new plan

The relationship between the Mayor and City Council remains contentious. Rather than work together to solve the City's fiscal dilemmas, the City Council tends to make decisions that seem intended to confront the Mayor. Sometimes, those decisions result in further aggravation of the City's financial condition.

County of Wayne

For fiscal year ending September 30, 2012, the County had a general fund operating surplus of \$73,158,000, or 14% of general fund revenues totaling \$532,919,000. However, the general fund transferred \$113,158,000 to other funds thereby increasing the 2011 unrestricted accumulated general fund deficit to \$148,925,000, which is 28% of general fund revenues.

A revised deficit elimination plan has been submitted. Staff is working with the County to resolve several issues within the plan such as the transfer of assets from other funds and unsupported reductions to eliminate the general fund deficit.

Update: Phase II of the State's consulting engagement contract with Pierce, Monroe & Associates to examine the funds of elected officials and other select departments was completed by the February deadline including examination of the substantial balance amount in the Treasurer's Delinquent Tax Revolving Fund.. Anticipated future County borrowing, if any, will be conditioned to require changes in the financial behavior within County government. Treasury remains very concerned about the probability of jail construction cost overruns.

The County has submitted an application to issue \$90 million in tax anticipation notes, has committed to updating its deficit elimination plan to include the most recent deficit and to address concerns in a timely manner. They intend to submit monthly financial reports so that the Department may monitor the County's adherence to the plan. The Department will issue a conditional approval of the deficit elimination plan and approve the borrowing. However, the proceeds of the borrowing will be placed in an escrow account and draws will be approved by the Department subject to the County meeting certain budgeting goals.

LITIGATION SUMMARY

1. *AFSCME 25, et al v Governor, et al.* This action was filed in United States District Court (Eastern District). The claim is that modifications by the Emergency Manager for Detroit Public Schools to collective bargaining agreements violated various constitutional provisions (e.g., the Contracts Clause and Takings Clause).

Status: Cross motions for summary disposition were pending. A motion hearing was held on November 1, 2012, and the Court took the matter under advisement.

2. *Bland v Brown, Kurtz, et al.* This action was filed in Genesee County Circuit Court. This is an action for declaratory and injunctive relief and mandamus. The claim is that the Emergency Manager transferred the assets of the Flint Retirement System to the Municipal Employees Retirement System of Michigan (MERS) in violation of Act 4. Section 19(1)(m)(iii) of the Act authorizes such a transfer provided the recipient pension fund is actuarially funded at a level of 80 percent or more. The claim is that MERS as of December 31, 2010 was funded at only 76 percent.

Status: A pre-trial conference was held the last week of October 2012.

3. *Brown v Snyder.* This action was filed in Ingham County Circuit Court. The claim is that Act 4 is unconstitutional, facially and as applied. The State sought a protective order in regards to discovery which the trial court denied. On appeal, the Court of Appeals vacated the denial of the requested protective order and remanded. The trial court hearing on remand is September 26, 2012.

Status: The case was dismissed. The parties on November 19, 2012, signed stipulations and a voluntary dismissal.

4. *Citizens United Against Corrupt Government, et al v City of Detroit, et al.* This action was filed in Ingham County Circuit Court. The claim is that a contract by Mayor with an outside law firm violates City charter.

Status: Awaiting a hearing date.

5. *Citizens United Against Corrupt Government, et al v Detroit Financial Advisory Board.* This action was filed in the Court of Appeals. This is an action for *quo warranto*. The claim is that, among other things, no portion of the Financial Stability Agreement, including the Financial Advisory Board, survived the disapproval of Act 4 by the voters.

Status: The case is pending having been filed on December 10, 2012.

6. *Citizens United Against Corrupt Government, et al v Detroit Financial Review Team.* This action was filed in Ingham County Circuit Court. The claim is that negotiation of the

Financial Stability Agreement, as well as two provisions of the Financial Stability Agreement, violated Act 4. The case was dismissed by the Ingham County Circuit Court.

Status: Plaintiff filed a claim of appeal with the Court of Appeals and plaintiff's brief is due on December 26, 2012.

7. *Coletta et al v David Clark et al*. This action was filed in Wayne County Circuit Court and has been certified as a class action involving approximately 9,000 plaintiffs. This is an action for declaratory and injunctive relief and damages. The claim is that trustees of the City of Detroit's General Employees Retirement system and the Police and Fire Retirement system violated various laws and breached certain fiduciary duties in regards to the investment of pension assets.
8. *Davis v Detroit Financial Advisory Board*. This action was filed in Ingham County Circuit Court. The claim was that the Board violated the Open Meetings Act.

Status: The case was dismissed.

9. *Davis v Detroit Financial Review Team, et al*. This action was filed in Ingham County Circuit Court. The claims were that review teams were subject to the Open Meetings Act and that the Detroit Financial Review Team had acted in violation of a trial court order. The Court of Appeals held on May 21, 2012, that review teams are not subject to the Open Meetings Act, but remanded to the trial court for an evidentiary hearing on the issue whether defendants should be held in contempt. Subsequently, the trial court declined to hold an evidentiary hearing and plaintiff appealed that decision to the Court of Appeals.

Status: Payment of plaintiff's costs and attorney fees rendered moot the need for an evidentiary hearing.

10. *Davis v Highland Park Financial Review Team* (referred to as *Highland Park II* to distinguish it from the first Highland Park case which claimed that review teams were subject to the Open Meetings Act). This action was filed in Ingham County Circuit Court. The claims are that the terms of review team members expire 60 day (90 day with an extension) after appointment and that Act 4 violated Section 29 of the Headlee Amendment. The trial court dismissed the former claim, but held that Act 4 did violate the Headlee Amendment.

Status: Plaintiff failed to file a brief.

11. *Davis v Parker*. This is an action for *quo warranto*. This action was filed in the Court of Appeals after the foregoing case was filed in Ingham County Circuit Court. The claims are that the Emergency Financial Manager has no entitlement to her office because the statutory process of Act 72 was not followed and that Act 72 is not revived because it was repealed by Act 4.

Status: The Court of Appeals denied application for leave to proceed by *quo warranto*.

12. *Davis v Rick Snyder, Michael Flanagan, and Joyce Parker*. This action was filed in Ingham County Circuit Court. This is an action for declaratory judgment. The claims are that the statutory process of Act 72 was not followed, that Act 72 does not authorize the grandfathering of actions taken under Act 4, and that the criteria for appointment of emergency managers under Act 4 and emergency financial managers under Act 72 differ.

Status: A motion hearing is scheduled on January 30, 2013.

13. *Davis v Roberts*. This action was filed with the Michigan Supreme Court. The action is for *quo warranto*. The claims are that the Emergency Financial Manager has no entitlement to his office because the statutory process of Act 72 was not followed and that Act 72 is not revived because it was repealed by Act 4. The Court of Appeals previously denied relief and held that Act was revived.

14. *Davis v State of Michigan, City of Detroit, et al.* This action was filed in Ingham County Circuit Court. The claim is that the financial stability agreement violates the Headlee Amendment. The trial court denied plaintiff's motion for an evidentiary hearing, but allowed depositions. The Court of Appeals granted the State's application for leave to appeal. Defendants filed a reply brief on September 27, 2012.

Status: The Court of Appeals held oral arguments on December 5, 2012. The matter is awaiting decision.

15. *DPOA v City of Detroit*. This action was filed in Wayne County Circuit Court. This was an action for injunctive relief. The claim was that duty to engage in Act 312 arbitration survived the duty to bargain under the Public Employment Relations Act. On August 30, 2012, the Court granted the State's motion to intervene, dissolved a previously entered temporary restraining order, refused to enter a preliminary injunction, and determined that the City's employment terms are controlling until a new agreement is reached. The Court dismissed the case.

Status: DPOA filed with the Court of Appeals a claim of appeal and motion to stay, the latter of which the Court denied.

16. *DPOA v City of Detroit*. This action was filed in the Court of Claims (Ingham County Circuit Court). The claim is that the duty to engage in Act 312 arbitration survived the duty to bargain under the Public Employment Relations Act.

Status: Supplemental briefs have been filed by all parties who are awaiting a decision.

17. *FPOA v City of Flint*. This action was filed in Genesee County Circuit Court. This is an action for injunctive relief. The claim is that an Emergency Manager order which

imposed a labor contract should be invalidated because the statute under which it was issued, Act 4 of 2011, no longer is in effect.

18. *Kincaid v Kurtz*. This action was filed in Genesee County Circuit Court. This is an action for *quo warranto* against the Flint Emergency Financial Manager. The claim is that the appointment of the Emergency Financial Manager is unconstitutional because Act 72 was repealed by Act 4 and, per the anti-revival statute (MCL 8.4), Act 72 was not revived upon the suspension of Act 4. Plaintiff's amended complaint and brief as requested by the Court were due on November 19, 2012. A hearing was scheduled on November 26, 2012. The Court granted a motion to adjourn the November 26, 2012, hearing which was rescheduled for December 20, 2012.

Status: The case was dismissed on December 20, 2012.

19. *NCO Acquisitions, LLC, et al v Governor, et al*. This action was filed in United States District Court (Eastern District). The claim is that termination lease by Emergency Manager for Detroit Public Schools violated the Contracts Clause and Takings Clause of the federal Constitution.

Status: The parties have filed cross motions for summary disposition and a hearing has been scheduled for January 9, 2013.

20. *Roberts v Murray, et al, and Detroit Board of Education*. This action was filed in Wayne County Circuit Court. This was an action for injunctive relief filed by the Emergency Financial Manager with a cross claim for injunctive relief by the School Board. The Court adopted the position set out in Attorney General Opinion No. 7267 that Act 72 is revived during the suspension of Act 4. The Court also held that actions taken under Act 4 prior to the time of its suspension remained valid.

Status: Not available.

21. *Sutton v Brown*. This action was filed in Ingham County Circuit Court. The claim was that the appointment of Mike Brown as Emergency Manager for the City of Flint violated the Headlee Amendment. On August 8, 2012, the trial court dismissed the complaint due to lack of service by plaintiff.

Status: The case was dismissed.

22. *Valenti v Snyder, et al*. This action was filed in United States District Court (Eastern District). The claim is that the Detroit financial stability agreement violated the contracts clause, procedural due process, and amounted to a tortious interference with contractual relations. The Court concluded that the suspension of Act 4 rendered the case moot, but that the case could be revisited depending upon the outcome of the Act 4 referendum.

Status: The case was dismissed, but on January 24, 2013, plaintiffs filed a motion with the court to reopen the case.

23. *Watkins, et al v the Governor, State Treasurer, and Attorney General*. This action was filed in Ingham County Circuit Court on behalf of two members of the Pontiac City Council, four members of the Benton Harbor City Commission, and all nine members of the Flint City Council. This is an action for mandamus or, in the alternative, declaratory, and injunctive relief. The plaintiffs seek to have the reappointments of the seven existing emergency financial managers declared invalid on grounds that the suspension of Act 4 did not revive Act 72.

Status: The case was dismissed. At a motion hearing on December 5, 2012, the Ingham County Circuit Court denied plaintiffs' requested relief and granted summary disposition in favor of the State.

24. *Welch et al v Brown, Kurtz, et al*. This action was filed in United States District Court (Eastern District). This is a class action for injunctive relief and damages. The claim is that changes implemented by the Emergency Manager under Act 4 and to be implemented under Act 72 to retiree healthcare violate certain constitutional and contractual rights of retirees. At a hearing on September 6, 2012, the Court declined to grant an injunction. Instead, the Court directed the parties to meet. The Court was of the opinion that plaintiffs appeared to misunderstand the nature of changes to their coverage and should first meet with city representatives to discuss those changes.

Status: The meeting between plaintiff's counsel and City's counsel was held and plaintiffs are expected to continue litigation.

Message

From: Muchmore, Dennis (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=MUCHMORED]
Sent: 4/4/2013 10:07:06 PM
To: Snyder, Rick (GOV) [REDACTED]
CC: Scott, Allison (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Scotta12]
Subject: RE: Just a head's up

They have been notified per the plan and have until Andy returns next week to present their counter proposal. The concept is executed. Sorry for the confusion but they haven't followed up with Flint and I thought you should know we were moving to the next step at the end of the ten days. I was indicating that we were expecting to move forward in case you had further reservations and wanted us to delay further.

From: Snyder, Rick (GOV)
Sent: Thursday, April 04, 2013 5:14 PM
To: Muchmore, Dennis (GOV)
Cc: Scott, Allison (GOV)
Subject: Re: Just a head's up

Before I left, I thought all of us agreed that someone would let DWSD know that they were going to lose a key customer and that they would have 10 days to present a serious counter. What happened to this concept?

Thanks

Rick

Sent from my iPad

On Apr 4, 2013, at 9:43 AM, "Muchmore, Dennis (GOV)" <muchmored@michigan.gov> wrote:

As you know, the Flint people have requested Dillon's ok to break away from the DWSD. Andy has reviewed the proposed action, had it analyzed by Treasury and Dan Wyant and DEQ, and they all agree that Flint is correct. I have no way of determining whether this is the right action except to depend on the two departments charged with this responsibility, so I recommend that we support their determination and let the chips fall where they may. This will happen early next week, so we need to have you made aware and develop a message of support if that is what you want to do.

We'll need to make sure that Orr knows about this as soon as possible so he can take it into his calculations. It would certainly diminish the DWSD base, and probably spin off a series of political questions for others still involved in the Detroit system. But, I don't see how you can support Detroit to the detriment of the rest of the state. You've done a lot for the city, but you also need to have a strong support for outstate for 2014.

Sorry to bug you on your vacation, but the two emails today couldn't be avoided. I was trying to think of a way to make it up to you, so here goes: GO BLUE! (That was really tough to say...).

Dennis C. Muchmore

Chief of Staff

Governor Rick Snyder, Michigan

517-241-5601

From: Muchmore, Dennis (GOV)
Sent: Monday, April 29, 2013 8:49 AM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV); Roberts, John (GOV)
Subject: Detroit Update
Attachments: [REDACTED]

Redacted

On-Going project discussions:

DWSD-The Flint decision has of course created a need for a reevaluation of the market value of the asset.

Redacted

Dennis C. Muchmore
Chief of Staff
Governor Rick Snyder, Michigan
517-241-5601

Attachment Redacted as Irrelevant

From: Dillon, Andy (Treasury)
Sent: Thursday, May 23, 2013 10:25 PM
To: Snyder, Rick (GOV)
Subject: Fwd: FLINT - E&Y Report and comments; invoice
Attachments: Kurtz letter re EY May 23.doc; ATT00001.htm; City of Flint - Phase I Discussion Document v2.pdf; ATT00002.htm; EY City of Flint_US0130838852_\$110,000.pdf; ATT00003.htm

Governor,

I am sending this only because I know you may have some time this weekend to catch up on some reading and, if you were curious, it would be available to you. I still need to meet with E&Y and the City to go through this and formulate my recommendation to you. Thus, not asking you to read it - just making it available.

Within two weeks, I expect to ask for some time to discuss Flint, Highland Park and a few other local units on my radar.

Regards,

Andy

Sent from my iPad

Begin forwarded message:

From: "Stibitz, Brom (Treasury)" <StibitzB@michigan.gov>
To: "Dillon, Andy (Treasury)" <DillonA2@michigan.gov>, "Saxton, Thomas (Treasury)" <SaxtonT@michigan.gov>
Cc: "Malhotra, Gaurav" <Gaurav.Malhotra@ey.com>
Subject: FLINT - E&Y Report and comments; invoice

From: Ed Kurtz [<mailto:ekurtz@cityofflint.com>]
Sent: Thursday, May 23, 2013 10:13 AM
To: Koryzno, Edward (Treasury); Stibitz, Brom (Treasury)
Subject: Fwd: E&Y Report and comments; invoice

See the following which includes the report from E & Y as well as our Finance Director's comments on the report and a copy of the invoice. After we pay it I will send a request for reimbursement to Treasury. Ed

----- Forwarded message -----

From: Gerald Ambrose <gambrose@cityofflint.com<<mailto:gambrose@cityofflint.com>>>
Date: Thu, May 23, 2013 at 9:17 AM
Subject: E&Y Report and comments; invoice

To: Ed Kurtz <ekurtz@cityofflint.com<<mailto:ekurtz@cityofflint.com>>>
Cc: Mike Brown <mbrown@reinvestflint.org<<mailto:mbrown@reinvestflint.org>>>, Antonio Brown <abrown@cityofflint.com<<mailto:abrown@cityofflint.com>>>

Ed,

Attached per our conversation are my comments on the Ernst & Young Report; the actual report; and the invoice. We have completed the budget amendment necessary for payment and the invoice is being processed. I will be sending the invoice to our contact at the state in order that we can be reimbursed for the state's share.

Please contact me if you have any questions.

Jerry

Attachment Redacted as Irrelevant

City of Flint

Discussion Document

May 15, 2013

Preliminary Draft: For discussion purposes only

The analysis in this document is based on the 5-year projection dated April 29, 2013 and does not reflect the May 18, 2013 update which reflects increased deficits

Redacted

II. Review of Five Year Plan

13

Redacted

Redacted Pages 4-23

Redacted

- The Water and Sewer projection does not include changes/savings due to conversion to the KWA (Karegnondi Water Authority)

Redacted

- The Water and Sewer projection does not include changes/savings due to conversion to the KWA (Karegnondi Water Authority)

Redacted Pages 26-49

Attachment Redacted as Irrelevant

From: Muchmore, Dennis (GOV)
Sent: Tuesday, February 11, 2014 6:41 PM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV)
Subject: [REDACTED]
Attachments: #9 Gov.ppt; Fwd: [REDACTED]

Redacted

-----Original Message-----

From: Saxton, Thomas (Treasury)
Sent: Tuesday, February 11, 2014 5:44 PM
To: Muchmore, Dennis (GOV)
Cc: Workman, Wayne (TREASURY); Wisniewski, Wendy (GOV)
Subject: RE: [REDACTED]

Redacted

We have mechanisms in place or will have in place (i.e., a TAB) to oversee/monitor their implementation. At the end of the day we are not gaining anything by keeping an EM there. The same is not true for Flint. Darnel E. needs to be there to address ongoing problems

Redacted

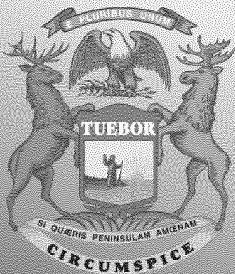
Let me know if you need anything else.

-----Original Message-----

From: Muchmore, Dennis (GOV)
Sent: Tuesday, February 11, 2014 1:24 PM
To: Saxton, Thomas (Treasury); Workman, Wayne (TREASURY)
Subject: [REDACTED]

Redacted

Draft 2/11/14



State of Michigan
Executive Office
Governor Rick Snyder

Municipal Issues Update

February 12, 2014

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Other Watch Communities	Slide 17



Redacted pages 3-9

Emergency Manager Communities

- **Flint**

Redacted

- Monitor completion of the Karegnondi Water Authority to resolve cost issues with DWSD
- Ernst & Young is conducting a financial analysis of the water/sewer system and Hurley Hospital

Redacted



Redacted pages 11-20

Attachment Redacted as Irrelevant

Attachment Redacted as Irrelevant

From: Scott, Allison (GOV)
Sent: Monday, August 11, 2014 4:02 PM
To: Snyder, Rick (GOV)
Subject: FW: August 2014 Gov memo and Summary
Attachments: 8-11-14 Gov Memo.docx; [REDACTED]

From: Workman, Wayne (TREASURY)
Sent: Monday, August 11, 2014 1:36 PM
To: Muchmore, Dennis (GOV); Clinton, Kevin (TREASURY); Clement, Elizabeth (GOV); Wisniewski, Wendy (GOV); Scott, Allison (GOV)
Cc: Saxton, Thomas (Treasury); Stanton, Terry A. (Treasury); Gelisse, Ashley (TREASURY); Baird, Richard (GOV); Dempkowski, Angela (Treasury)
Subject: August 2014 Gov memo and Summary

All: Attached please find an update of issues and actions regarding distressed local governments and school districts through August 7, 2014. Let me know if you have any questions or need additional information.

Wayne Workman | Deputy State Treasurer
State of Michigan | 430 W. Allegan Street | Lansing, MI 48922



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

R. KEVIN CLINTON
STATE TREASURER

DATE: August 11, 2014
TO: Rick Snyder, Governor
FROM: R. Kevin Clinton, Treasurer
SUBJECT: Status of Financially Stressed Local Governments

EMERGENCY MANAGER

Allen Park

Emergency Manager: Joyce Parker
Appointed: October 26, 2012
Anticipated Exit: September 2014

Recent Developments

- The sale of Southfield Lease Properties to Time Equities for \$12M is expected to close in August 2014. The purchaser has exercised their right to conduct an environmental review of the property which has delayed the closing.
- The City has requested a \$2.7M emergency loan, which will likely be considered by the Emergency Loan Board at an August meeting. If approved, proceeds would be used to pay the delinquent pension obligation. Recent actuarial valuation revealed pension funding for General Employees at 79.22% and Police/Fire at 79.5%.

Significant Actions/Issues

- A ten year, \$6.7M Public Safety Millage was approved by voters in August 2013.
- Future OPEB liabilities reduced by \$48.8M (33%).
- Litigation was filed by retirees challenging the Emergency Manager's authority to reduce OPEB liabilities. A court date on this matter is pending.

Issues to Resolve before EM Exit

- Complete tender offer and debt refinancing related to the Southfield Lease Properties by September 2014.
- Finalize compliance settlement with SEC.
- Reduce pension liabilities.

Detroit

Emergency Manager: Kevyn Orr

Appointed: March 14, 2013

Anticipated Exit: September 2014

Recent Developments

- Treasury is coordinating with the Governor's Office to implement the new Financial Review Commission, which is required as part of the "Grand Bargain" legislation.
- Participating with City advisors on two contemplated financings: 1) exit financing – DIP 'take out' and 2) DWSD new money and restructuring.

Flint

Emergency Manager: Darnell Earley

Appointed: November 28, 2013

Anticipated Exit: April 2015

Recent Developments

- Overall deficit reduced to \$9M in FY 2014.
- The Federal District Court Judge modified the preliminary injunction on June 30, 2014. (six retirees challenged modifications made by the Emergency Manager to retiree healthcare coverage). The City can implement cost saving measures pending the trial outcome. However, if the challenge stands, the City's cost will increase by approximately \$5M annually.

Significant Actions/Issues

- The sale of the water pipeline for \$3.7M was completed in June 2014. KWA project still moving forward as planned.
- Water Plant placed into full-time service in April 2014, ending contractual relationship with DWSD.
- A \$1.1M State appropriation was received to fund front-line public safety positions for FY 2015.
- The Emergency Manager has imposed collective bargaining agreement terms that will save the City \$336k annually with long-term projected savings of \$4.3M effective July 2014.

Issues to Resolve before EM Exit

- Eliminate annual operating/structural deficit which is projected at \$1.7M for FY 2017, and grows to \$11.9M during FY 2019 if the City loses the lawsuit over retiree health.

Hamtramck

Emergency Manager: Cathy Square

Appointed: July 1, 2013

Anticipated Exit: October 2014

Recent Developments

- A firm has been hired to conduct the search for a qualified City Manager candidate.

Significant Actions/Issues

- The City requested a \$2.1M emergency loan, which was approved by the Emergency Loan Board on June 26, 2014. Proceeds will resolve a \$2.1M liability to MERS.
- Retiree healthcare changes were implemented in December 2013 at a cost savings of over \$1.8M.

Issues to Resolve before EM Exit

- Retiree healthcare litigation must be resolved.
- Hire a qualified City Manager before exit.
- Annual pension liability is anticipated to increase from \$3.5M in FY 2015 to \$4.3M in 2019.

Lincoln Park

Emergency Manager: Brad Coulter

Appointed: July 3, 2014

Anticipated Exit: January 2016

Recent Developments

- Brad Coulter appointed as Emergency Manager July 3, 2014.

Significant Actions/Issues

- Police and Fire pension plan is 30% funded. The General Employee plan is 22% funded.
- FY 2013 ended with a General Fund deficit of \$89k. In the prior fiscal year, the City had a positive fund balance of \$2M.

Issues to Resolve before EM Exit

- Police and fire contracts need to be renegotiated.

RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB)

Benton Harbor

RTAB Appointed: March 10, 2014

RTAB Members: Cary Vaughn, Bret Witkowski, Marvin Raglon, Sharon Hunt

Recent Developments

- Study initiated to review the cost of ongoing litigation issues.
- FY 2015 budget is balanced.
- The City Commission appointed Mary Donald to the fill the vacant Commission seat. Due to a pending resignation, a second City Commission vacancy will occur in August.
- Language has been filed to recall Mayor Hightower. This would be the third recall attempt against the Mayor. The Berrien County Clerk's Office is investigating whether this recall can legally proceed since the legal status of the previous recall election has not been determined.

Significant Actions/Issues

- Former Department of Public Works Director Darwin Watson appointed City Manager in February 2014.
- General Fund revenues are projected to exceed expenditures by \$2.9M for FY 2014.
- A six-year capital improvement plan has been developed and has identified capital needs exceeding \$4.8M.
- The City Manager implemented a twelve-month operational plan to guide City operations.

Ecorse

RTAB Appointed: May 1, 2013

RTAB Members: Edward Koryzno, Robert Bovitz, Joyce Parker

Recent Developments

- Chris Olsen offered City Administrator position (pending contract negotiations).
- The RTAB first annual evaluation is underway.
- Plante Moran has suspended their previous letter of termination, contingent on certain conditions. (e.g. begin immediate search for permanent City Administrator, contract with neighboring community or an outside agency to provide HR services to the City).

Significant Actions/Issues

- City Council has repeatedly rejected a CGAP grant which would have saved the City \$1M, offsetting the lost tax settlement revenue.
- Pension contributions are anticipated to increase from \$1.8M in FY 2015 to \$2.4M in FY 2016.
- The RTAB rejected the City's proposed five-year budget in June 2014 due to unrealistic projections. The firing of the City Administrator and the uncertainty of Plante Moran's continued financial services have delayed the completion of a viable five-year budget. The amended budget completion date is unknown.

Pontiac

RTAB Appointed: August 19, 2013

RTAB Members: Edward Koryzno, Louis Schimmel, Keith Sawdon, Robert Burgess

Recent Developments

- General Fund revenues are projected to exceed expenditures by \$4M in FY 2014.

Significant Actions/Issues

- In April 2014, the Final Emergency Manager Order was amended to create a Deputy Mayor position. Candidate application deadline was August 1, 2014.
- \$6M annual retiree healthcare obligation and related federal litigation must be resolved prior to August 2015, when the Emergency Manager Final Order expires.
- Pontiac Pension Board and City Council approved a proposal to allow an IRS 420 Transfer for payment of retiree healthcare costs; review of the financial impact of this proposal was postponed by the RTAB until August 2014.
- Conclude condemnation litigation and proceed with budgeted \$2M demolition of the Phoenix Center.

CONSENT AGREEMENT

Inkster

Date Executed: February 20, 2012

Consultant/Treasury Representative: Mark Stuhldreher

Term of Consent Agreement: N/A

Recent Developments

- A study of the Police Department has been completed and is very critical of the Police Chief and the City Administration.
- The Police Chief resigned in July; Interim Chief appointed August 4, 2014; search firm has been retained to find a permanent chief.
- General Fund revenues are projected to exceed expenditures by \$1.5M in FY 2014.

Significant Actions/Issues

- Mark Stuhldreher, City Treasurer, was granted certain Emergency Manager powers in February 2012.
- Richard Marsh was appointed as City Manager in August of 2013.
- The City was awarded a \$486k CGAP grant on April 1, 2014 to contract with the Wayne County Sheriff's Department; the City is working with Michigan State Police to augment police staffing (on hold pending hiring a permanent chief).
- The City of Westland was awarded a \$347k CGAP grant to consolidate the Inkster Fire Department into the Wayne/Westland Fire Authority on April 1, 2014.

River Rouge

Date Executed: December 15, 2009

Consultant/Treasury Representative: N/A (P.A. 72)

Term of Consent Agreement: N/A

Recent Developments

- General Fund revenues are expected to exceed expenditures by \$986k in FY 2014.
- Implemented a reduction in healthcare benefits for employees.

Significant Actions/Issues

- U.S. Steel annual \$1M tax settlement payment to the City expires in FY 2015.

Royal Oak Township

Effective Date: April 21, 2014

Consultant/Treasury Representative: Robert Burgess

Term of Consent Agreement: October 31, 2017

Recent Developments

- A consulting firm (UHY) has been hired to assist the Consent Agreement Consultant and the Township in developing a Finance & Operating Plan. The Township is requesting an extension of the deadline to complete the Financial & Operating Plan to September 30, 2014.
- Surplus pension assets of \$619k administered by MERS were transferred to the Township. The Office of the Attorney General is reviewing the legal authority regarding the use of these funds for any purpose other than pension expenses.
- An assistant was hired to assist the Consent Agreement Consultant.
- The Township must submit a Corrective Action Plan to address deficiencies identified in its 2013 Audit. On July 30, 2014 the Township submitted a Corrective Action Plan; it is currently under review by LAFD.

Significant Actions/Issues

- The Michigan State Police continues to provide police services to the Township.
- A committee consisting of the Township Supervisor, Consent Agreement Consultant, and one Township Trustee has been appointed to explore contracting police and fire services. The MSP will participate in these negotiations.
- A Deficit Elimination Plan for Police, Fire, and Street Lighting Funds must be submitted.

NEUTRAL EVALUATION

Highland Park

Financial Review Team Appointed: December 2, 2013

Financial Emergency Declared: January 30, 2014

PA 436 Option Selected: May 1, 2014

Recent Developments

- A long-term lease of its 32-acre tree farm in Rochester Hills for \$1M was announced by the City.
- The City is discussing the preparation of a RFP to privatize water and sewer system operations.

Significant Actions/Issues

- Ronald Rose, former Dykema Gossett bankruptcy attorney, was appointed as Neutral Evaluator in May 2014.
- The City announced that it has exercised its right under PA 436 to extend the neutral evaluation process another 30 days, ending on August 28, 2014.
- Liabilities total \$117.6M, of which some of the major components are: \$55.3M is debt, including \$20.7M owed to DWSD, \$17.7M is pension bonds, and \$26.1M is unfunded OPEB liabilities.
- OPEB costs are paid from the General Fund on a pay-as-you-go basis.
- Fifth Third Bank notified the City on September 11, 2013 that “Event of Defaults” have occurred regarding the Letter of Credit held by the bank. The bank terminated the Letter of Credit, transferred \$7M in unexpended bond proceeds, and is seeking to capture pledged state revenue sharing.
- The City defaulted on its State emergency loan payment due May 19, 2014. Treasury withheld \$101k from State Revenue Sharing on June 30, 2014 to cover the default.

OTHER COMMUNITIES

Melvindale

Significant Actions/Issues

- The General fund deficit for FY 2013 is \$1.9M, an increase of \$248k from the FY 2012 deficit.
- City’s ice arena unrestricted annual deficit for FY 2013 is \$1.9M, which is approximately \$160k more than what the City projected. It continues to negatively impact the General Fund.
- Treasury representatives will meet with city officials in August to discuss strategies of addressing deficits.
- The City is considering millage proposals for the November ballot. The first is to pay the debt on the ice arena and the other is for street/sidewalk repair.

Taylor

Significant Actions/Issues

- The General Fund has an unrestricted deficit of \$2.2M.
- The City made only 47% of its required annual contribution for OPEB. The unfunded liability is \$232.7M and continues to grow.
- There are several contingent liabilities that may impact the financial stability of the City including the possible need to subsidize Brownfield Redevelopment bonds of \$14.2M.
- A 1996 levy to pay a general obligation bond expires in 2015, potentially resulting in a \$6.2M drain per year on the General Fund during FY 2016 and FY 2017.

City of Wayne

Significant Actions/Issues

- Projected General Fund deficits for FY 2014 and beyond.
- Treasury prepared and presented recommendations for the City during April 2014.

Wayne County

Recent Developments

- Warren Evans defeated Robert Ficano with 44% of the vote in the primary election held August 5, 2014.
- The County Finance Director continues to pursue the implementation of the Waste Water Authority by meeting with the affected local units and the attorneys for several of the existing systems.
- The County believes it has sufficient documentation to support the County's ownership of the various waste water systems.

Significant Actions/Issues

- Treasury met with County Finance officials on July 1, 2014 to discuss progress on the Deficit Elimination Plan (DEP). Another meeting is scheduled for August 18, 2014. The County submitted a revised DEP, approved by the County Commission, which removes the changes to retiree healthcare. The loss of the \$9.2M in savings will be offset by the \$10M anticipated increase in revenue sharing.
- County Treasurer agreed to transfer \$150M from the Delinquent Tax Revolving Fund to the General Fund. Of that \$150M, \$82M has already been transferred and applied to the accumulated deficit, and \$44M has been applied to the operating/structural deficit in accordance with the DEP. The additional \$24M, which was not part of the DEP, will be used to help reduce the accumulated deficit.
- The elimination of the accumulated deficit is dependent upon the transfer of excess funds held in the Delinquent Tax Revolving Fund and the creation of a Wastewater Authority. The plan to eliminate the operating/structural deficit depends on significant labor costs savings and pension revisions.

- The Treasurer received letters from the law firm of Foster Swift and the Downriver Utility Wastewater Authority on behalf of several communities affected by the Waste Water Authority proposed in the County's DEP. They expressed disagreement with the plan and also questioned the ownership of the assets.
- The County reduced the amount needed to borrow for general operating cash flow purposes from \$100M to \$75M. The Tax Anticipation note was issued on May 28, 2014 and the proceeds were placed in escrow.
- The County received \$25M of its cash flow borrowing of May 28, 2014 upon closing. A second draw in the amount of \$25M was approved by Treasury on July 2, 2014 leaving a balance of \$25M in escrow. Estimated final release date is expected to be by August 15, 2014.

Attachment Redacted as Irrelevant

From: Scott, Allison (GOV)
Sent: Friday, October 03, 2014 2:43 PM
To: Snyder, Rick (GOV)
Subject: Fwd: September 2014 Gov Memo and Summary
Attachments: Oct Gov Memo.docx; [REDACTED]

Sent from my iPhone

Begin forwarded message:

From: "Workman, Wayne (TREASURY)" <WorkmanW@michigan.gov>
Date: October 3, 2014 at 1:58:51 PM EDT
To: "Muchmore, Dennis (GOV)" <muchmored@michigan.gov>, "Clinton, Kevin (TREASURY)" <ClintonK1@michigan.gov>, "Clement, Elizabeth (GOV)" <clemente@michigan.gov>, "Wisniewski, Wendy (GOV)" <wisniewskiwm@michigan.gov>, "Scott, Allison (GOV)" <scotta12@michigan.gov>
Cc: "Saxton, Thomas (Treasury)" <SaxtonT@michigan.gov>, "Stanton, Terry A. (Treasury)" <StantonT@michigan.gov>, "Gelisse, Ashley (TREASURY)" <GelisseA@michigan.gov>, "Baird, Richard (GOV)" <bairdr@michigan.gov>, "Dempkowski, Angela (Treasury)" <DempkowskiA@michigan.gov>
Subject: September 2014 Gov Memo and Summary

All: Attached please find an update of issues and actions regarding distressed local governments and school districts through September 2014. Let me know if you have any questions or need additional information.

Wayne Workman | Deputy State Treasurer
State of Michigan | 430 W. Allegan Street | Lansing, MI 48922



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

R. KEVIN CLINTON
STATE TREASURER

DATE: October 3, 2014
TO: Rick Snyder, Governor
FROM: R. Kevin Clinton, Treasurer
SUBJECT: Status of Financially Stressed Local Governments

EMERGENCY MANAGER

Flint

Emergency Manager: Darnell Earley
Appointed: November 28, 2013
Anticipated Exit: April 2015

Recent Developments

- Emergency Manager Darnell Earley initiated a search for a qualified and experienced City Administrator. Ideally, the chosen candidate will begin on January 30, 2015.
- Five Charter amendments and a general Charter revision question have been placed on the November 2014 ballot. These include eliminating the Office of Ombudsmen and Civil Service Commission, reducing mayoral staff appointments from ten to five, eliminating the requirement for specific executive departments, and requiring that the annual budget include a budget message, multi-year financial plans, revenue projections, and a Budget Stabilization Fund.
- The City has contacted the Michigan Health Endowment Fund at MDCH to determine if grant funds are available to start a fund to assist citizens who are unable to pay their water/sewer bills.

Significant Actions/Issues

- On September 5, 2014 a boil water advisory was issued due to multiple positive tests for "total coliform" covering approximately a 9 square mile area. This was caused from a broken valve which feeds the transition main.
- In August, Treasury staff met with the Mayor and City Council in one-on-one meetings to discuss the possibility of the Emergency Manager exiting in April 2015, and to explain the function of a Receivership Transition Advisory Board. An April 2015 exit will not be possible if the pending retiree lawsuit outcome is unfavorable to the City. Decision date is still to be determined.
- Accumulated deficit for FY 2013 was \$12.9M; the City reduced the deficit by \$3.9M to \$9M in FY 2014 (unaudited).

- A \$1.1M State appropriation was received to fund front-line public safety positions for FY 2015.
- The sale of the water pipeline for \$3.9M was completed in June 2014.
- The Genesee County 911 Consortium approved Flint's return to the county-wide system by July 1, 2015. This will result in about \$1M in annual savings to the City. Currently, the City spends \$2.4M annually to subsidize its own 911 operations.
- The results of a comprehensive public safety study, being prepared by ICMA, will be available this fall.

Issues to Resolve before EM Exit

- Eliminate annual operating/structural deficit which is projected at \$1.7M for FY 2017, and grows to \$11.9M by FY 2019 if the City loses the lawsuit over retiree healthcare. If the City loses this lawsuit, it will permanently add \$5M annually to the cost of retiree healthcare. The City's budget does not assume this additional \$5M potential expense.

Hamtramck

Emergency Manager: Cathy Square

Appointed: July 1, 2013

Anticipated Exit: November 2014

Recent Developments

- Both the Public Works Director and the Income Tax Director have been terminated for misfeasance; a replacement Public Works Director is being vetted, while the Income Tax Office has been outsourced to a third party.

Significant Actions/Issues

- A firm has been hired to conduct a search for a qualified City Manager candidate.
- The City closed on its emergency loan on September 23, 2014, which was approved by the Emergency Loan Board on June 26, 2014. The proceeds will resolve a \$2.1M liability to MERS.
- Retiree healthcare changes were implemented in December 2013 at a cost savings of over \$1.8M.
- The annual pension liability is anticipated to increase from \$3.5M in FY 2015 to \$4.3M in 2019. This resulted from the closing of certain pension plans and the MERS policy of accelerating the actuarial required contribution for closed plans.

Issues to Resolve before EM Exit

- Retiree healthcare litigation.
- Hire a qualified City Manager.

Lincoln Park

Emergency Manager: Brad Coulter

Appointed: July 3, 2014

Anticipated Exit: January 2016

Recent Developments

- SAFEbuilt was selected to perform building inspections for the City. Inspections were not being completed on a timely basis and the Building Inspector was terminated.

Significant Actions/Issues

- The Police and Fire pension plan is 30% funded. The General Employee plan is 22% funded.
- An Emergency Manager Order to charge \$60 for each vehicle towed by the City will result in additional revenue of \$100,000 per year.
- A Financial and Operating Plan was submitted to the Treasurer on August 22, 2014. The Plan's proposal includes 1) Fire Department restructuring - \$1M annual savings, 2) OPEB plan reform or elimination - \$3.2M+ for duration of fiscal emergency, 3) CBA changes include sick, vacation, unused sick and vacation buy backs, average final compensation, etc. This will likely result in hundreds of thousands in annual savings, 4) health plan changes - \$150K annual savings, and 5) outsource Building Department - \$75K annual savings.
- FY 2013 ended with a General Fund accumulated deficit of \$89K. In the prior FY, the City had a positive fund balance of \$2M.

Issues to Resolve before EM Exit

- Police and fire contracts need to be renegotiated.
- Pension and OPEB funding.

FINANCIAL REVIEW COMMISSION (FRC)

Detroit

Emergency Manager: Kevyn Orr

Appointed: March 14, 2013

Anticipated Exit: November 2014

Recent Developments

- On September 25, 2014, Mayor Duggan and the City Council reached a deal to keep Kevyn Orr on as Emergency Manager until the court approves the City's Plan of Adjustment. Mr. Orr's remaining tenure is strictly limited to those actions necessary to bring the bankruptcy proceedings to a close.
- As part of this arrangement, Kevyn Orr signed an order to return all operational authority to the City. While most operational duties had already been returned, Kevyn Orr had continued to oversee the financial and budgetary functions of the City prior to September 25, 2014.
- Mr. Orr also signed several orders to effectuate restructuring and consolidation of City functions. These included finance and budgetary functions, as well as information technology, planning, and grants management functions.
- While the court's exact timeline cannot be known, it is anticipated that proceedings could end over the next 3-6 weeks. In preparation, Treasury is coordinating with the Governor's Office to implement the new Financial Review Commission, which is required by the "Grand Bargain" legislation. This commission will help to ensure the full and timely implementation of the City's Plan of Adjustment.

Significant Actions/Issues

- On September 26, 2014, the Local Emergency Financial Assistance Loan Board approved exit financing for the City. This included the approval of four bond deals that, taken together, are worth up to \$1.1B. All bonds had been previously approved by City Council.
- On the same day, the Local Emergency Financial Assistance Loan Board also approved the Emergency Manager's proposal to sell several properties in the footprint of the New International Trade Crossing to the Land Bank Fast Track Authority for a total of \$1.4M.

RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB)

Allen Park

RTAB Appointed: September 26, 2014

RTAB Members: Suzanne Schafer, Joyce Parker, Fredrick Frank, Karen Barann

Recent Developments

- Emergency Manager Joyce Parker exited on September 25, 2014 and a Receivership Transition Advisory Board was appointed.
- A \$2.6M emergency loan was approved by the Emergency Loan Board on September 23, 2014 with the closing occurring the same day. The proceeds will be used to pay the delinquent pension obligation. Recent actuarial valuation revealed pension funding for General Employees at 79.2% and Police/Fire at 79.5%.

Significant Actions/Issues

- Future OPEB liabilities reduced by \$48.8M (33%).
- Litigation was filed by retirees challenging the Emergency Manager's authority to reduce OPEB liabilities. A court date on this matter is pending.
- The Southfield Lease Properties were sold on August 22, 2014 to Time Equities for \$12M.
- A compliance settlement with SEC must be finalized.
- A five-year financial forecast must be developed within 90 days of the Emergency Manager exit.
- The restructuring of the Southfield Lease Properties Debt and Tender Offer must be completed.

Benton Harbor

RTAB Appointed: March 10, 2014

RTAB Members: Cary Vaughn, Bret Witkowski, Marvin Raglon, Sharon Hunt

Recent Developments

- The City submitted a \$4.8M Capital Improvements Plan (CIP) which was approved by the RTAB on September 24, 2014.
- A litigation study was recently completed by UHY which will assist the City in improving its process of managing legal and litigation issues.
- Due to the resignation of another City Commissioner, a new vacancy has occurred on the City Commission. It is anticipated that the vacancy will be filled by November 2014.

Significant Actions/Issues

- General Fund revenues are projected to exceed expenditures by \$2.9M for FY 2014 (\$2.3M from loan proceeds).
- The City Manager implemented a twelve-month operational plan to guide City operations.
- Lawsuit filed against the City and former Emergency Manager Saunders by former Public Safety Director; alleges he was dismissed for complaining to the State.
- The Michigan Court of Appeals has ordered the Benton Harbor Mayor recall election off the November 2014 ballot.

Ecorse

RTAB Appointed: May 1, 2013

RTAB Members: Edward Koryzno, Robert Bovitz, Joyce Parker

Recent Developments

- The City continues to search for a qualified interim City Administrator, and is currently operating without one.
- The RTAB annual evaluation will be voted on at the November meeting; while some elements are positive or neutral, much of the report is negative. An eventual recommendation for the reappointment of an Emergency Manager is foreseeable.

Significant Actions/Issues

- City Council repeatedly rejected a CGAP grant which would have saved the City \$1M; offsetting the lost tax settlement revenue.
- Pension contributions are anticipated to increase from \$1.8M in FY 2015 to \$2.4M in FY 2016.
- The State has approved \$750K in State Revolving Funds for a sanitary sewer project.
- The RTAB rejected the City's proposed five-year budget in June 2014 due to unrealistic projections. The firing of the City Administrator and the uncertainty of Plante Moran's continued financial services have delayed the completion of a viable five-year budget. The amended budget completion date is unknown.
- Plante Moran has renewed their call for reform within the City (e.g. begin immediate search for permanent City Administrator, contract with neighboring community or an outside agency to provide HR services to the City). Plante Moran's future with the City is in doubt due to the City's failure to meet the conditions it previously agreed to.

Pontiac

RTAB Appointed: August 19, 2013

RTAB Members: Edward Koryzno, Louis Schimmel, Keith Sawdon, Robert Burgess

Recent Developments

- The City of Pontiac Retired Employees Association v. City of Pontiac lawsuit in the United States District Court was recently reassigned from Judge Lawrence P. Zatkoff to Judge Avern Cohn. Judge Cohn has requested the parties participate in facilitation as a means to reaching a settlement. The City of Pontiac and the Retired Employees Association have agreed to participate in facilitation.
- In April 2014, the Final Emergency Manager Order was amended to create a Deputy Mayor position. Interviews are tentatively scheduled on October 20 and 21, 2014.

Significant Actions/Issues

- General Fund accumulated fund balance for FY 2014 is approximately \$4M.
- The RTAB is currently reviewing the City's proposed FY 2016 budget, which will be the City's first adopted budget since the Emergency Manager's required two-year budget.
- General Fund is structurally balanced in FY 2015 and expenditures are projected to exceed revenues by \$360K.
- The \$6M annual retiree healthcare obligation and related federal litigation must be resolved prior to August 2015, when the existing Emergency Manager Final Order regulating this issue expires. Expiration of this order would increase the annual cost of retiree healthcare to between \$10-13M, which would be approximately one-third of the City's \$30M General Fund budget.
- The General Employee Retirement System application for tax exempt status was extended for another five year period by the IRS until December 31, 2019, as required by federal law. This extension resolves the issue of the proposed 420 Transfer and the RTAB has ceased review of the issue unless the City presents any new proposals.
- The City expects condemnation litigation involving the Phoenix Center building to be resolved in the near future. At that time, the City will proceed with the budgeted \$2M demolition of the building.
- The City Charter Commission has completed a draft of a new City Charter, which is under review by the Office of the Attorney General. The Charter will eventually have to be adopted by a vote of the electorate. A possible election date has yet to be determined.
- The City Administrator has informed the RTAB that additional financial training for the City Council is needed.

CONSENT AGREEMENT

Inkster

Date Executed: February 20, 2012

Consultant/Treasury Representative: Mark Stuhldreher

Term of Consent Agreement: N/A

Recent Developments

- A GASB Actuarial report indicated that the City has reduced its OPEB liability by 73% between July 1, 2012 and July 1, 2014 from \$27M to \$7M.
 - o As of January 1, 2014, the City no longer allows any participant to enroll in the City's healthcare plans at retirement. This includes future and existing retirees. The City provides them with a monthly stipend that they use to acquire healthcare elsewhere. The stipend for a one-person household Pre-Medicare is \$500 per month; \$200 per month if Medicare eligible. The stipend for a two-person household Pre-Medicare is \$1,000 per month; \$400 per month if Medicare eligible.

Significant Actions/Issues

- The City was awarded a \$486K CGAP grant on April 1, 2014 to contract with the Wayne County Sheriff's Department; the City is working with Michigan State Police to augment police staffing. This is currently on hold until a permanent chief is selected.
- The City of Westland was awarded a \$347K CGAP grant to consolidate the Inkster Fire Department into the Wayne/Westland Fire Authority on April 1, 2014.
- General Fund revenues are projected to exceed expenditures by \$1.5M in FY 2014.
- The Police Chief resigned in July; Interim Chief Vicky Yost was appointed August 4, 2014; a search firm has been retained to find a permanent chief.

River Rouge

Date Executed: December 15, 2009

Consultant/Treasury Representative: N/A (P.A. 72)

Term of Consent Agreement: N/A

Recent Developments

- A reduction in healthcare benefits for all current active employees will be implemented on November 1, 2014. The City is currently working to determine the estimated annual savings.

Significant Actions/Issues

- U.S. Steel annual \$1M tax settlement payment to the City expires in FY 2015.
- General Fund revenues are expected to exceed expenditures by \$986K in FY 2014.

Royal Oak Township

Effective Date: April 21, 2014

Consultant/Treasury Representative: Robert Burgess

Recent Developments

- The consulting firm (UHY) is assisting the Consent Agreement Consultant and the Township in developing a Financial & Operating Plan. The Township has requested that the plan deadline be extended to November 1, 2014.
- The Township will be approving a new contract for waste disposal services in October. A 10% cost reduction will be achieved under this new agreement.
- The State of Michigan, Bureau of Construction Codes ordered the Township Building Inspector to inspect and issue a report regarding the conditions at the Township's Recreation Center. The report was ordered after Treasury contacted the Bureau of Construction Codes when receiving a complaint from a Township Parks Commissioner regarding possible health and safety violations at the Recreation Center. Treasury will receive a copy of any determinations issued by the Bureau of Construction Codes.
- The Township is planning to submit several applications to the new Financially Distressed Cities, Villages, and Townships grant program.

Significant Actions/Issues

- The Michigan State Police continue to provide police services to the Township.
- A committee consisting of the Township Supervisor, Consent Agreement Consultant, and one Township Trustee continues to explore contracting for police and fire services. The Michigan State Police and Treasury are also involved with this process. The City of Ferndale and the City of Hazel Park have expressed interest in providing these services.
- A Deficit Elimination Plan is required for police, fire, and street lighting funds to address a total deficit of \$547.6K and was due by August 23, 2014. The Township has not yet submitted its Plan.
- On July 30, 2014, the Township submitted a Corrective Action Plan to address deficiencies identified in its FY 2013 Audit; Treasury is currently reviewing the plan.
- Surplus pension assets of \$619K administered by MERS were transferred to the Township. The State Treasurer approved a Consent Agreement Order by the Township Supervisor prohibiting the use of these funds until the Financial & Operating Plan is approved. The Office of the Attorney General is reviewing the legal authority regarding the use of these funds for any purpose other than pension expenses.

NEUTRAL EVALUATION

Highland Park

Financial Review Team Appointed: December 2, 2013

Financial Emergency Declared: January 30, 2014

PA 436 Option Selected: Neutral Evaluation

Recent Developments

- The Emergency Loan Board approved the Emergency Loan Agreement and a \$3M Emergency Loan on September 23, 2014. The Emergency Loan closed on September 24, 2014.
- The City requested proposals to prepare a water and sewer rate study. The deadline to submit a proposal is October 9, 2014.
- Ronald Rose has contracted with the City to facilitate the provisions of the Loan Agreement.
- Summary of the Plan of Adjustment for the City of Highland Park adopted on August 28, 2014.
 - o Fifth Third Bank has finalized an agreement to settle for 50 cents on the dollar for outstanding debt.
 - o By June 15, 2015, Highland Park (at the State's insistence) must have a third party operator for its water/sewer systems.
 - o After the selection of this third party operator, DWSD and Highland Park will negotiate a long-term settlement for outstanding sewer debt.
 - o Work to reduce retiree healthcare benefit cost has begun.
 - o An additional emergency loan of \$16.5M will be required to restructure \$4.8M in existing emergency loans, to refund \$2.7M in Fiscal Stabilization Bonds, \$5.2M in Financial Recovery Bonds, and 3.6M in State Revolving Fund bonds.

Significant Actions/Issues

- Liabilities total \$117.6M - some of the major components are: \$55.3M debt (including \$20.7M owed to DWSD), \$17.7M pension bonds, and \$26.1M unfunded OPEB liabilities.
- The City defaulted on its State emergency loan payment due May 19, 2014. Treasury withheld \$101K from State Revenue Sharing on June 30, 2014 to cover the default.
- A long-term lease of its 32-acre tree farm in Rochester Hills for \$1M was announced by the City.

OTHER COMMUNITIES

Melvindale

Significant Actions/Issues

- The General Fund deficit for FY 2013 is \$1.9M, an increase of \$248K from the FY 2012 deficit.
- The City's ice arena unrestricted annual deficit for FY 2013 is \$1.9M, which is approximately \$160K more than what the City projected. It continues to negatively impact the General Fund.
- The City met with Treasury representatives on August 19, 2014 to discuss the City's proposed deficit elimination plan. The City provided a well-crafted plan and it is under review by Treasury.
- The City Council approved placing two millage proposals on the November ballot. The first is to pay the debt on the ice arena and the other is for street/sidewalk repair.

Taylor

Significant Actions/Issues

- The General Fund has an unrestricted deficit of \$2.2M for FY 2013.
- The City made only 47% of its required annual contribution for OPEB. The unfunded liability is \$232.7M and continues to grow.
- There are several contingent liabilities that may impact the financial stability of the City, including the possible need to subsidize Brownfield Redevelopment Bonds of \$14.2M.
- A 1996 levy to pay a general obligation bond expires in 2015, potentially resulting in a \$6.2M drain per year on the General Fund during FY 2016 and FY 2017.

City of Wayne

Recent Developments

- City Manager Joe Merucci resigned, effective October 11, 2014 and has taken an immediate leave of absence.
- Police Chief Jason Wright was appointed Interim City Manager on September 11, 2014.

Significant Actions/Issues

- Projected General Fund deficits for FY 2014 and beyond.
- The City is discussing a May 2015 ballot proposal that would seek voter approval for additional millage.
- The positions of Finance Director, Personnel Director, and Parks and Recreation Director are currently vacant.
- The Mayor of the City of Westland has publically expressed concern about the stability of the City of Wayne and the collaborative agreements between the two cities.

Wayne County

Recent Developments

- In a letter from the Director of Labor Relations, the Director indicated that negotiations with all bargaining units have stalled.
- The County anticipates another short-term borrowing in December 2014 for \$75M. Cash reserves reaches its lowest point in May 2015 with pooled cash falling to approximately \$63M (average balance is \$170M).

Significant Actions/Issues

- The County submitted a revised DEP, approved by the County Commission, which removes the changes to retiree healthcare. The loss of the \$9.2M in savings will be offset by the \$10M anticipated increase in revenue sharing. County Treasurer agreed to transfer \$150M from the Delinquent Tax Revolving Fund to the General Fund. Of that \$150M, \$82M has already been transferred and applied to the accumulated deficit, and \$44M has been applied to the operating/structural deficit in accordance with the DEP. The additional \$24M, which was not part of the DEP, will be used to help reduce the accumulated deficit.
- Approval of the County's revised DEP is on hold until the new Wayne County Executive takes office.

Attachment Redacted as Irrelevant

From: Scott, Allison (GOV)
Sent: Wednesday, December 10, 2014 3:41 PM
To: Snyder, Rick (GOV)
Subject: Fwd: December 2014 Gov Memo and Summary
Attachments: December Governor's Memo V.docx; [REDACTED]
ATT00002.htm

here you go

Sent from my iPad

Begin forwarded message:

From: "Workman, Wayne (TREASURY)" <WorkmanW@michigan.gov>
Date: December 9, 2014 at 12:39:32 PM EST
To: "Muchmore, Dennis (GOV)" <muchmored@michigan.gov>, "Clinton, Kevin (TREASURY)" <ClintonK1@michigan.gov>, "Clement, Elizabeth (GOV)" <clemente@michigan.gov>, "Wisniewski, Wendy (GOV)" <wisniewskiwm@michigan.gov>, "Scott, Allison (GOV)" <scotta12@michigan.gov>
Cc: "Saxton, Thomas (Treasury)" <SaxtonT@michigan.gov>, "Stanton, Terry A. (Treasury)" <StantonT@michigan.gov>, "Gelisse, Ashley (TREASURY)" <GelisseA@michigan.gov>, "Baird, Richard (GOV)" <bairdr@michigan.gov>, "Dempkowski, Angela (Treasury)" <DempkowskiA@michigan.gov>
Subject: December 2014 Gov Memo and Summary

All: Attached please find an update of issues and actions regarding distressed local governments and school districts through November 2014. Let me know if you have any questions or need additional information.

Wayne Workman | Deputy State Treasurer
State of Michigan | 430 W. Allegan Street | Lansing, MI 48922



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

R. KEVIN CLINTON
STATE TREASURER

DATE: December 9, 2014
TO: Rick Snyder, Governor
FROM: R. Kevin Clinton, Treasurer
SUBJECT: Status of Financially Stressed Local Governments

EMERGENCY MANAGER

Flint

Emergency Manager: Darnell Earley
Appointed: November 28, 2013
Anticipated Exit: April 2015

Recent Developments

- Two City Council seats will be vacant as of January 1, 2015 due to the members being elected to higher offices. A committee consisting of the Mayor and City Council is working with the Emergency Manager to review interested applicants for the vacant City Council positions.
- City officials are attempting to increase the City's income tax rate, which Treasury supports and must be approved by the legislature. State Representative Stanley is the lead on this initiative. Should the legislature approve the increase, the City will place this question on the November 2015 ballot.
- Six Charter amendments and a general Charter revision question were on the November 4, 2014 ballot. The following proposals passed:
 - o Proposal 1 – Triggers a full review of the charter. A nine-member Charter Review Commission will be elected in May 2015.
 - o Proposal 2 – Reduces the number of mayoral staff appointments from no more than ten to no more than five.
 - o Proposal 3 – Adds a Charter amendment to require budgetary best practices.
- Three finalists were selected for the City Administrator position. Background and reference checks are being conducted on the preferred candidate now, with a goal to bring the person on board in February 2015.
- City officials met last month with the DEQ, and as a result of that meeting, prepared an operational plan to reduce the formation of disinfection by-products. They have exceeded the standard which is primarily the result of using water from a different source, namely the Flint River. This is anticipated to be mitigated once the City begins using Lake Huron water from the Karagondi pipeline. A DEQ violation notice will go out next week which will require the City to issue a public notice. The violation is expected to continue for a while because it takes time to resolve this problem.

Significant Actions/Issues

- The City has contacted the Michigan Health Endowment Fund at MDCH to determine if grant funds are available to assist citizens who are unable to pay their water/sewer bills.
- The accumulated deficit for FY 2013 was \$12.9M; the City reduced the deficit by \$3.9M to \$9M in FY 2014 (unaudited).
- A \$1.1M State appropriation was received to fund front-line public safety positions for FY 2015.
- The Genesee County 911 Consortium approved the City of Flint's return to the county-wide system by July 1, 2015. This will result in approximately \$1M in annual savings to the City. Currently, the City spends \$2.4M annually to subsidize its own 911 operations.
- A comprehensive public safety study, being prepared by ICMA, is due by year end.

Issues to Resolve before EM Exit

- Eliminate annual operating/structural deficit, which is projected at \$1.7M for FY 2017 and grows to \$11.9M by FY 2019 if the City loses the lawsuit over retiree healthcare. If the City loses this lawsuit, it will permanently add \$5M annually to the cost of retiree healthcare. The City's current budget does not assume this additional \$5M potential expense.

Hamtramck

Emergency Manager: Cathy Square

Appointed: July 1, 2013

Anticipated Exit: December 18, 2014

Recent Developments

- The City ended FY 2014 with an anticipated General Fund balance of \$800,000.
- The City has made an employment offer to their preferred City Manager candidate. Their anticipated start date is mid-December.

Significant Actions/Issues

- Both the Public Works Director and the Income Tax Director have been terminated for misfeasance; a replacement Public Works Director has been hired, while the Income Tax Office has been outsourced to a private third-party.
- A complaint was filed in federal court by Hamtramck retirees over changes to healthcare benefits in October 2014.
- The City closed on its emergency loan on September 23, 2014, which was approved by the Emergency Loan Board on June 26, 2014. Proceeds resolved a \$2.1M liability to MERS.
- The annual pension liability is anticipated to increase from \$3.5M in FY 2015 to \$4.3M in FY 2019. This resulted from the closing of certain pension plans and the MERS policy of accelerating the actuarial required contribution for closed plans.
- Emergency Manager Square is establishing a combined City Treasurer/Deputy City Manager position.

Issues to Resolve before EM Exit

- Retiree healthcare litigation.
- Finalize five-year budget.

Lincoln Park

Emergency Manager: Brad Coulter

Appointed: July 3, 2014

Anticipated Exit: January 2016

Recent Developments

- The Fire Chief resigned effective November 26, 2014.
- Emergency Manager Brad Coulter issued an EM Order restoring 50% of City Council's salaries effective December 1, 2014.
- A fire collective bargaining agreement has been proposed which will reduce overtime and the minimum manpower required on duty.
- The Emergency Manager has prepared two EM Orders. The first would amend the City Charter to close the current police and fire pension plan and transfer the assets to a new 345 pension system plan while the second would provide the millage necessary to fund a PA 345 pension plan. Both requests will require voter approval.

Significant Actions/Issues

- SAFEbuilt was selected to perform building inspections for the City. Prior to this, inspections were not completed on a timely basis.
- The police and fire pension plan is 30% funded. The general employee plan is 22% funded.
- An EM Order to charge \$60 for each vehicle towed by the City will result in additional revenue of \$100,000 per year.
- A Financial and Operating Plan was submitted to the State Treasurer on August 22, 2014. The Plan's proposal included 1) Fire Department restructuring - \$1M annual savings, 2) OPEB plan reform or elimination - \$3.2M+ for duration of fiscal emergency, 3) CBA changes affecting unused sick and vacation buy-backs, average final compensation, resulting in \$100K+ in annual savings, 4) health plan changes - \$150K annual savings, and 5) outsource Building Department - \$75K annual savings.
- FY 2013 ended with a General Fund accumulated deficit of \$89K. It is anticipated the City will end FY 2014 with a \$700K General Fund deficit.

Issues to Resolve before EM Exit

- Police and fire contracts need to be renegotiated.
- Pension and OPEB funding levels.

FINANCIAL REVIEW COMMISSION (FRC)

Detroit

Emergency Manager: Kevyn Orr

Appointed: March 14, 2013

Anticipated Exit: December 2014

Recent Developments

- The City emerged from bankruptcy on November 7, 2014 as Federal Judge Steven Rhodes gave his oral approval of the City's Plan of Adjustment. On November 19, 2014 the Michigan Settlement Administration Authority found that the necessary statutory requirements have been met in order to release the \$194M in State funds that were pledged as part of the Grand Bargain.

- On December 8, 2014, Kevyn Orr entered his final Emergency Manager Order and 2-year budget. He also transmitted a letter to the Governor and Treasurer recommending that receivership under PA 436 end on the effective date of the City's Plan of Adjustment. Mr. Orr's tenure as Emergency Manager would end on this date as well (as of this writing, the effective date is expected to be December 10, 2014).
- PA 181 of 2014 requires that a Financial Review Commission be established to help ensure ongoing fiscal stability in the City and compliance with the Plan of Adjustment. This body will have broad authority to review the City's fiscal and operational decisions for a number of years to come.

Significant Actions/Issues

- Emergency Manager Kevyn Orr is expected to issue his final order and 2-year budget in early December. From there, the City will technically be released from receivership, but will remain under the review of the Financial Review Commission (FRC). Staff is being recruited for the FRC.

RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB)

Allen Park

RTAB Appointed: September 26, 2014

RTAB Members: Suzanne Schafer, Joyce Parker, Fredrick Frank, Karen Barann

Recent Developments

- The first meeting of the RTAB was held on October 21, 2014.
- Discussions with the City of Ecorse are being held regarding fire consolidation.
- The City is proceeding to restructure the bond debt of the Southfield Lease Properties through the use of a Tax Exempt Bond Voluntary Closing Agreement. The City will submit a proposed agreement to the IRS and pay a penalty of \$200,000. The City intends to issue the Closing Agreement by March 2015.

Significant Actions/Issues

- Emergency Manager Joyce Parker exited on September 25, 2014.
- Litigation was filed by retirees challenging the Emergency Manager's authority to reduce OPEB liabilities. A motion for summary disposition is pending but was stayed by the judge through the end of the Detroit bankruptcy. No date has been set to hear this motion.
- A \$2.6M emergency loan was approved by the Emergency Loan Board on September 23, 2014. The proceeds were used to pay a delinquent pension obligation of the same amount.
- A compliance settlement with the SEC was finalized on November 6, 2014 related to bonds that financed the failed movie studio project.
- Now that the Emergency Manager has exited, a five-year financial forecast and Capital Improvements Plan must be developed by December 15, 2014.
- City Hall will be relocating to a temporary facility in 2015 until a decision is made on whether to purchase an existing building or to construct a new facility. Before the City can temporarily relocate, internet connectivity and VOIP phone system issues in the temporary building need to be resolved.

Benton Harbor

RTAB Appointed: March 10, 2014

RTAB Members: Bret Witkowski, Marvin Raglon, Sharon Hunt

Recent Developments

- FY 2014 audited General Fund revenues exceed expenditures by \$1.2M.
- The City's audit is complete and will be presented to the RTAB in January 2015.
- The RTAB affirmed the appointment of C.F. Jones for the vacant 2nd Ward Commission seat. Mr. Jones was sworn in at the November 3, 2014 City Commission meeting.

Significant Actions/Issues

- The City submitted a \$4.8M Capital Improvements Plan (CIP) which was approved by the RTAB on September 24, 2014.
- The City Manager implemented a rolling five-year Financial and Operating Plan to guide the City. The plan was approved by the RTAB on November 25, 2014.
- A litigation study was recently completed by UHY which will assist the City in improving its process of managing legal and litigation issues.
- Lawsuit filed against the City and former Emergency Manager Saunders by former Public Safety Director alleging he was dismissed for complaining to the State. Case evaluation took place on November 19, 2014, and is set at \$250,000.

Ecorse

RTAB Appointed: May 1, 2013

RTAB Members: Edward Koryzno, Robert Bovitz, Joyce Parker

Recent Developments

- The City has appointed Wayne O'Neal as Interim City Administrator. The RTAB approved the appointment on November 18, 2014. The City has contracted with the Michigan Municipal League (MML) to complete a full-time City Administrator search; a candidate is expected in 90-120 days.
- The RTAB Annual Evaluation took place at the November 18, 2014 meeting and will be forwarded to the Governor. The evaluation was not favorable and the Board does not recommend removal of RTAB oversight at this time.
- Plante Moran has tendered their intent to separate from the City as of January 1, 2015. The ability of the RTAB to monitor the finances of the City will be jeopardized if a qualified replacement is not hired.

Significant Actions/Issues

- City Council repeatedly rejected a CGAP grant which would have saved the City \$1M; offsetting the lost tax settlement revenue.
- Pension contributions are anticipated to increase from \$1.8M in FY 2015 to \$2.4M in FY 2016 because of a MERS recalculation of closed funds.
- The State has approved \$750K in State Revolving Funds for a sanitary sewer project.
- The RTAB rejected the City's proposed five-year budget in June 2014 due to unrealistic projections. The amended budget completion date is unknown.

Pontiac

RTAB Appointed: August 19, 2013

RTAB Members: Edward Koryzno, Louis Schimmel, Keith Sawdon, Robert Burgess

Recent Developments

- The City of Pontiac Retired Employees Association v. City of Pontiac lawsuit in the United States District Court was recently reassigned from Judge Lawrence P. Zatkoff to Judge Avern Cohn. The City of Pontiac and the Retired Employees Association are participating in facilitation.
- In April 2014, the Final EM Order was amended to create a Deputy Mayor position. The field of candidates has been narrowed to three, and a finalist will be selected by mid-December.
- Oakland County Circuit Court Judge Michael Warren dismissed the City's condemnation lawsuit involving the Phoenix Center because the City failed to include compensation for the lien placed on the property. The City is preparing an appeal of the decision to the U.S. Sixth Circuit Court of Appeals. Information has also come to light that suggests the condition of the Phoenix Center is not as bad as was officially reported. The Department of Treasury is investigating this issue.
- The first Annual RTAB Evaluation for the City is in the process of being scheduled.

Significant Actions/Issues

- Accumulated General Fund balance for FY 2014 is approximately \$4M.
- The RTAB is currently reviewing the City's proposed FY 2016 budget, which will be the City's first adopted budget since the two-year budget recommended by the Emergency Manager prior to exit.
- General Fund is structurally balanced in FY 2015 but expenditures are projected to exceed revenues by \$360K due to deferred projects from FY 2014.
- The City Charter Commission has completed a draft of a new City Charter, which is under review by the Attorney General's Office. Any Charter changes will ultimately be subject to a vote of the electorate. A possible election date has yet to be determined.
- The City Administrator has informed the RTAB that additional financial training for the City Council is needed.

CONSENT AGREEMENT

Inkster

Date Executed: February 20, 2012

Consultant/Treasury Representative: Mark Stuhldreher

Term of Consent Agreement: N/A

Significant Actions/Issues

- A class action lawsuit over water rates was filed against the City on October 20, 2014 alleging water rates are not just and reasonable.
- General Fund revenues are projected to exceed expenditures by \$1.5M in FY 2014.
- The Police Chief resigned in July and an Interim Chief was appointed. A search firm is being retained to find a permanent chief.
- A GASB Actuarial report indicated that the City has reduced its OPEB liability by 73% between July 1, 2012 and July 1, 2014; from \$27M to \$7M.

- As of January 1, 2014, no additional participants could enroll in the City's healthcare plans at retirement. This includes future and existing retirees. The City provides participants with a monthly stipend that is used to purchase healthcare elsewhere. The stipend for a one-person household pre-Medicare is \$500 per month; \$200 per month if Medicare eligible. The stipend for a two-person household pre-Medicare is \$1,000 per month; \$400 per month if Medicare eligible.

River Rouge

Date Executed: December 15, 2009

Consultant/Treasury Representative: N/A (P.A. 72)

Term of Consent Agreement: N/A

Recent Developments

- A reduction in healthcare benefits for active employees and retirees was implemented on November 1, 2014. The City is currently working to determine the estimated annual savings.
- The City has reached a tentative collective bargaining agreement with the police patrol union. Treasury is reviewing the terms of the proposed agreement.

Significant Actions/Issues

- U.S. Steel annual \$1M tax settlement payment to the City expires in FY 2015.
- General Fund revenues are expected to exceed expenditures by \$986K in FY 2014.

Royal Oak Township

Effective Date: April 21, 2014

Consultant/Treasury Representative: Robert Burgess

Recent Developments

- The Township's Financial and Operating Plan was approved by the State Treasurer on November 26, 2014.
- The Township's 2015 budget development process is complete and an approved budget was submitted to the State Treasurer for approval on December 1, 2014.
- The Township submitted a required report to Treasury on November 17, 2014 that identifies how each of the findings documented by the Review Team will be resolved. Another report was submitted identifying how each finding in the past two annual audits will be resolved.

Significant Actions/Issues

- The Township has approved a new contract for waste disposal services. A 10% cost reduction will be achieved under this new agreement.
- The Michigan State Police continues to provide police services to the Township.
- A Deficit Elimination Plan that is required for police, fire, and street lighting funds to address a total deficit of \$547.6K was originally due by August 23, 2014. The Township's proposed Financial and Operating Plan states that the Township will develop and submit the Deficit Elimination Plan within 90 days of approval of the Financial and Operating Plan.

- On July 30, 2014 the Township submitted a Corrective Action Plan to address deficiencies identified in its FY 2013 Audit. Local Audit and Finance Division is monitoring the Township's implementation of this plan.
- Surplus pension assets of \$619K administered by MERS were transferred to the Township. The Attorney General's Office recommended that these funds may only be used for the purpose of pension expenses. The Township included in its Financial and Operating Plan that they will strongly consider returning the \$619K to MERS and no future requests will be made to MERS during the life of the Township's financial emergency. The Financial and Operating Plan was adopted on October 14, 2014 by the Township Board. The plan was transmitted to the State Treasurer for review and approved on November 26, 2014.
- The Bureau of Construction Codes ordered the Township Building Inspector to inspect and issue a report regarding conditions at the Township's Recreation Center. The report was ordered when Treasury contacted the Bureau of Construction Codes after receiving a complaint from a Township Parks Commissioner regarding possible health and safety violations at the Recreation Center. The report remains under review by the Bureau of Construction Codes.

NEUTRAL EVALUATION

Highland Park

Financial Review Team Appointed: December 2, 2013

Financial Emergency Declared: January 30, 2014

PA 436 Option Selected: Neutral Evaluation

Recent Developments

- The City selected Tetra-Tech to prepare a water and sewer rate study.
- Two finalists for City Administrator were selected for a second interview. The interviews were held on December 4, 2014.
- Huron Consulting Group is being retained to write the RFP to solicit a vendor to operate and maintain the City water and sewer system.
- BenStaff has been hired by the City to make recommendations to reduce health care costs.

Significant Actions/Issues

- Ronald Rose has contracted with the City to facilitate the provisions of the Emergency Loan Agreement.
- The Emergency Loan Board approved the Emergency Loan Agreement and a \$3M emergency loan on September 23, 2014. The emergency loan closed on September 24, 2014.
- Liabilities total \$117.6M - some of the major components are: \$55.3M debt (including \$20.7M owed to DWSD), \$17.7M pension bonds, and \$26.1M unfunded OPEB liabilities.
- Summary of the Plan of Adjustment for the City of Highland Park adopted on August 28, 2014.
 - o Fifth Third Bank has finalized an agreement and settled for 50 cents on the dollar for outstanding debt.
 - o By June 15, 2015 Highland Park, as required by terms of the emergency loan, must have a third party operator for its water/sewer systems.

- After the selection of this third-party operator, DWSD and Highland Park will negotiate a long-term settlement for outstanding water and sewer debt.
- Work to reduce retiree healthcare benefit cost has begun.
- An emergency loan of \$11.7M, with restructuring of \$4.8M in existing loans, will be used to refund \$2.7M in Fiscal Stabilization Bonds, \$5.2M in Financial Recovery Bonds, and \$3.6M in State Revolving Fund Bonds.

OTHER COMMUNITIES

Melvindale

Recent Developments

- The City requested approval to issue \$2.24M in tax anticipation notes, which matures no later than September 1, 2015. Treasury approved the borrowing on November 13, 2014.

Significant Actions/Issues

- The General Fund deficit for FY 2013 is \$1.9M, an increase of \$248K from the FY 2012 deficit.
- The unrestricted annual deficit for the city-owned ice arena in FY 2013 is \$1.9M, which is approximately \$160K more than what the City projected. It continues to negatively impact the General Fund.
- The Department issued a conditional approval of the City's Deficit Elimination Plan. The City is required to submit monthly financial reports to demonstrate adherence to the plan.
- The City Council approved placing two millage proposals on the November ballot. The first was a 2.07 millage levy to pay the debt on the ice arena. This proposal was soundly defeated with 66% of the vote. The second proposal was a 7.08 millage levy for street/sidewalk repair. This passed with 55% of the vote.

Taylor

Significant Actions/Issues

- The General Fund has an unrestricted deficit of \$2.2M for FY 2013.
- The City made only 47% of its required annual contribution for OPEB. The unfunded liability is \$232.7M and continues to grow.
- There are several contingent liabilities that may impact the financial stability of the City, including the possible need to subsidize Brownfield Redevelopment Bonds of \$14.2M.
- A 1996 levy to pay a general obligation bond expires in 2015, potentially resulting in a \$6.2M drain per year on the General Fund during FY 2016 and FY 2017.

City of Wayne

Recent Developments

- Citizens renewed a 1 mill levy for police and fire on November 4, 2014. The City of Westland has officially ended discussions to form a fire authority between the Cities of Westland, Wayne, and Inkster. Executive-level instability in the City of Wayne was stated as the primary reason for this decision.

Significant Actions/Issues

- Projected General Fund deficits for FY 2014 and beyond.
- The City is discussing a May 2015 ballot proposal that would seek voter approval for additional millage.
- The positions of Finance Director, Personnel Director, Chief of Police, and Parks and Recreation Director are currently vacant.
- David Murphy was appointed Interim City Manager on October 7, 2014.

Wayne County

Recent Developments

- Treasury staff met with the County Executive Transition Team to have a general discussion regarding what the team sees as critical issues.
- The Finance Director has indicated that short-term borrowing may not be necessary for FY 2015. However, the most recent cash flow statement does not support this conclusion.
- Cash reserves reached its lowest point in August 2014 with pooled cash falling to approximately \$73M (average balance is \$170M). This includes proceeds from a short term borrowing of \$75M.
- In a monthly status letter from the Director of Labor Relations, the Director continues to indicate that negotiations with all bargaining units have stalled.

Significant Actions/Issues

- Warren Evans was elected as Wayne County Executive on November 4, 2014. Mr. Evans replaces Robert Ficano.
- The Finance Director anticipates the accumulated deficit for FY 2014, will be approximately \$60M. The reduction from \$159M is mainly due to the transfer of funds from the Delinquent Tax Revolving Fund to the General Fund.
- The preliminary results of the County's actuarial report indicate a drop in OPEB liability of approximately \$409M. This reduction is a result of the City choosing less expensive plans and implementing cost sharing. The participants are paying a larger share of the cost. This does not include any savings opportunity resulting from a proposed change to retiree healthcare.
- The County is working to resolve a disagreement with the Mental Health Authority over services provided to jail inmates. The County currently pays for this service but believes it falls under the purview of the Authority.
- The County submitted a revised Deficit Elimination Plan (DEP), approved by the County Commission, which removes the changes to retiree healthcare. The loss of the \$9.2M in savings will be offset by the \$10M anticipated increase in revenue sharing. The County Treasurer agreed to transfer \$150M from the Delinquent Tax Revolving Fund to the General Fund. Of that \$150M, \$82M has already been transferred and applied to the accumulated deficit, and \$44M has been applied to the operating/structural deficit in accordance with the DEP. The additional \$24M, which was not part of the DEP, will be used to help reduce the accumulated deficit.
- Approval of the County's DEP is on hold until the new Wayne County Executive takes office. The County will be required to submit an updated DEP to include the unaudited numbers for FY 2014.

Attachment Redacted as Irrelevant

Message

From: Muchmore, Dennis (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=MUCHMORED]
Sent: 4/28/2015 5:36:34 PM
To: Snyder, Rick (GOV) [REDACTED]; Calley, Brian (GOV) [REDACTED]
CC: Scott, Allison (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Scotta12]; Clement, Elizabeth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Clemente]; Agen, Jarrod (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Agen Jarrod9ea]
Subject: Head's up

We are working right now on a Wayne County Consent Agreement that is a little different than other ones we've done. Evans is committed toward major reductions in their structure and we're working to get him there. I doubt they can reach some of the targets they are after but they have to start somewhere. His press release was pretty strong and his conversations with the unions pretty negative. He's pretty far out on a limb on his plan. It's not exactly what we would want but we're getting there. Nick feels that we can go with their plan unless after study (we just got it today) there's a flaw we didn't

We're ready to move ahead declaring tomorrow that Flint is ready to take its city under its own control and I personally would like to congratulate you on the leadership that achieved this goal. Outside of the issues over the water we feel pretty confident going forward. The water issue continues to be a danger flag.

We're moving ahead with the Highland Park schools change and are hoping that the charter operator will maintain a K-8 but they want extra money from us to do so. It may be that we have to do the whole district population, which will be a lot more controversial.

From: Scott, Allison (GOV)
Sent: Monday, May 18, 2015 4:32 PM
To: Snyder, Rick (GOV)
Subject: FW: Local Government Update
Attachments: Loc Gov Update May 2015.docx

fyi

From: Workman, Wayne (TREASURY)
Sent: Friday, May 15, 2015 12:42 PM
To: Scott, Allison (GOV); Muchmore, Dennis (GOV); Clement, Elizabeth (GOV)
Cc: Baird, Richard (GOV); Wurfel, Sara (GOV); Wisniewski, Wendy (GOV); Khouri, Nick (TREASURY); Saxton, Thomas (Treasury); Koryzno, Edward (Treasury); Roberts, John (DTMB); Allard, Claire (GOV); Workman, Wayne (TREASURY)
Subject: Local Government Update

Allison, Dennis, and Beth: Attached is the periodic update on distressed local governments. Please pass on to the Governor as appropriate. If you have any questions, please don't hesitate to call. Wayne



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: May 15, 2015
TO: Rick Snyder, Governor
FROM: Wayne Workman, Deputy State Treasurer
SUBJECT: Status of Financially Stressed Local Governments

EMERGENCY MANAGER

Lincoln Park

Emergency Manager: Brad Coulter

Appointed: July 3, 2014

Anticipated Exit: January 2016

Recent Developments

- After conducting preliminary interviews for the City Administrator position, a request was made by the Emergency Manager to identify additional qualified candidates.
- A fire union collective bargaining agreement was approved on February 6, 2015. Changes to overtime and paid leave will yield an estimated cost savings of \$500K annually.
- Voters rejected the Firefighters and Police Officers Retirement Act proposal that was on the May ballot by a margin of 47% to 53%. Had it been approved it would have raised an additional 6 mils, or \$3M annually to fund fire and police pension and healthcare costs.
- EM Coulter has modified retiree collective bargaining agreements to reduce healthcare benefits. These changes will be implemented on July 1, 2015 and will reduce retiree healthcare costs from \$4.1M to \$600K annually.
- FY 14 ended with a General Fund accumulated deficit of \$736K, out of a total budget of \$21M. This is a significant increase from the FY 13 accumulated deficit of \$89K. Salient increases were in Public Safety - \$1.1M, Public Works - \$700K, and Culture and Recreation - \$600K.

Significant Actions/Issues

- On February 3, 2015, the city was awarded \$143.5K through the Financially Distressed Cities, Villages, and Townships Grant Program. These funds will be used to enhance public safety through updated technology.

Issues to Resolve before EM Exit

- Police collective bargaining agreements must be finalized.

- Increase and stabilize pension and other post-employment benefits (OPEB) funding levels.

FINANCIAL REVIEW COMMISSION (FRC)

Detroit

FRC Created: November 12, 2014

FRC Members: Nick Khouri, Bill Martin, Brenda Jones, Darrell Burks, John Roberts, Lorrion James, Mike Duggan, Stacy Fox, Tony Saunders

Recent Developments

- The city submitted its Four-Year Financial and Operating Plan (Plan) to the FRC in March 2015 for review. Upon its review and determination that the Plan was based on sound assumptions and met all of the requirements under statute, the FRC approved the Plan on April 20, 2015. The city's Plan encompassed the second year (FY16) of Emergency Manager Orr's two-year budget and used this as its base year with no changes, plus three years (FY17, FY18, and FY19).
- The city's CFO John Hill hosted a "mini" revenue estimating conference on May 14, 2015, to review revenue estimates approved in February 2015 at the statutorily required Revenue Estimating Conference. After reviewing the city's revenue trends for income tax, state revenue sharing, wagering taxes, property taxes, utility users tax and all other general fund revenues, among other major fund accounts, and discussing economic trends since February, the city elected to maintain revenue estimates agreed upon at the February 2015 Revenue Estimating Conference.
- In addition to the recent hire of Ron Rose for the position of Executive Director for the Office of the FRC, Treasury has hired Steven Watson, who is currently with the State of New Jersey Office of Budget and Management, to fill the Administrative Manager position. Mr. Watson is expected to start on May 26, 2015. Treasury does not expect to hire any additional staff beyond an executive administrative assistant.
- The most intense work that the FRC will perform going forward is measuring the effectiveness of restructuring initiatives in light of the large annual pension obligations the city will incur beginning in 2024.
- The next FRC meeting is scheduled for May 18, 2015, and the Commission will be asked to approve various contracts and leases related to the Detroit Water and Sewerage Department transaction.

RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB)

Allen Park

RTAB Appointed: September 26, 2014

RTAB Members: Suzanne Schafer, Joyce Parker, Fredrick Frank, Karen Barann

Recent Developments

- The RTAB approved City Council's appointment of the city's Finance Director as Interim City Administrator, effective March 12, 2015. A professional search firm has been hired to help find City Administrator candidates. Treasury will be participating with City Council in the selection process.
- The city was expecting to issue a bond tender offer beginning in March but was delayed due to the uncertainty around the City Administrator position. Completion of the bond

tender process is now projected to be June 2015.

- In April, the RTAB approved the creation of an Interim Deputy City Administrator position to assist in overseeing city operations until the bond tender and City Hall projects are completed. Mark Kibby, former City Manager of the City of Woodhaven, was appointed to this position.
- The Michigan Municipal League and Plante Moran were retained by the city to conduct salary and classification studies of all department head and key manager positions within the city. The city has not established a timeline for this project at this time.
- The city remains without a Director of Public Services after the leading candidate for the position rejected the city's offer of employment. A department foreman is serving as interim while the city evaluates how to fill this position.

Significant Actions/Issues

- Litigation was filed by retirees challenging the EM's authority to reduce other post-employment benefit (OPEB) liabilities. A motion for summary disposition is pending. No date has been set to hear this motion.
- City Hall will be relocating to a temporary facility in May 2015. The present facility is in poor condition and beyond repair.

Benton Harbor

RTAB Appointed: March 10, 2014

RTAB Members: Larry Steckelberg, Bret Witkowski, Marvin Raglon, Sharon Hunt

Recent Developments

- The city's Finance Director has accepted a position as Finance Director in the City of Flint. Her last date of employment is June 5, 2015.
- The city's Deputy Finance Director, multiple public safety officers, and two public works department employees have resigned due to other employment opportunities.
- On April 6, 2015, the City Commission passed resolutions adopting a procurement policy, investment policy, and a credit card policy.

Significant Actions/Issues

- On February 3, 2015, the city was awarded \$910K through the Financially Distressed Cities, Villages, and Townships Grant Program. These funds will be used to enhance the water system through water main replacements and fire hydrant repairs, and to complete a property reappraisal which will provide updated and accurate assessing records. Additionally, the city will provide community enhancement through blight management and sidewalk replacement.
- FY 14 audited General Fund revenues exceed expenditures by \$1M, out of a total budget of \$6.1M.

Ecorse

RTAB Appointed: May 1, 2013

RTAB Members: Edward Koryzno, Robert Bovitz, Joyce Parker

Recent Developments

- On May 12, 2015, the RTAB approved a narrowly balanced FY 16 budget, though significant deficits are projected in future fiscal years.

- The City Administrator has requested a new City Controller (third in six months) however; the RTAB rejected this appointment at the May meeting.
- The RTAB has recommended that the State Treasurer amend the final EM order to provide RTAB oversight for all hiring and terminations.

Significant Actions/Issues

- On February 3, 2015, the city was awarded \$350K through the Financially Distressed Cities, Villages, and Townships Grant Program. These funds will be used to enhance public safety through improved street lighting.
- The City Council cancelled the contracted City Administrator search with the Michigan Municipal League (MML) and appointed Wayne O'Neal as full-time City Administrator. On February 10, 2015, the RTAB approved the city's resolution appointing Mr. O'Neal.
- The RTAB's Annual Evaluation for the Governor was not favorable, citing a lack of local financial literacy, political infighting, and an inability to develop a balanced multi-year budget. For these reasons, the removal of RTAB oversight cannot be recommended at this time.
- The city continues to have trouble attracting qualified candidates, and filling higher level administrative positions.
- The city signed a contract with UHY to provide part-time financial services until a permanent solution can be found.
- Municipal Employee's Retiree System (MERS) pension contributions are anticipated to increase from \$1.8M in FY 15 to \$2.4M in FY 16 because of accelerated funding for closed plans.
- The city has been unable to balance its five-year budget. Previous budgets project deficit spending in FY 16, and exhaustion of all resources in FY 17. To avoid this eventuality, significant expense reductions will be necessary in upcoming fiscal years.

Flint

RTAB Appointed: April 29, 2015

RTAB Members: Frederick Headen, Brian Larkin, David McGhee, Beverly Walker-Griffea, Robert McMahan

Recent Developments

- A clerical error by the Flint City Clerk's Office gave candidates the wrong cutoff deadline to file nominating petitions, April 28 instead of April 21. Consequently, in the Mayor's race, Mayor Dayne Walling, Councilman Wantwaz Davis, and Dr. Karen Weaver will all be left off the August Primary ballot and will have to run as write-in candidates in November. Councilman Eric Mays did not submit the required number of signatures and will likewise be left off the ballot for Mayor and will also have to run as a write-in candidate. Councilman Herbert Winfrey will be on the ballot and is unopposed for the Sixth Ward seat on the City Council. There were four candidates who filed petitions for the Third Ward City Council seat. Legislators will be asked to provide a statutory fix to allow names on the ballot. If this isn't successful, all will be forced to run as write-in candidates in the General Election.
- Jodi Lundquist has accepted the employment offer as CFO. Her start date is to be determined subject to RTAB approval.
- On April 29, 2015 the city exited emergency manager status and an RTAB was appointed. The first RTAB meeting will be held on June 10, 2015.

- On April 29, 2015, the Emergency Loan Financial Assistance Board approved a \$7M Emergency Loan that will eliminate the city's remaining deficit when combined with the FY surplus of \$20M.
- EM Gerry Ambrose issued an EM Order on March 19, 2015 that restructured the State Revolving Fund loans and provides approximately \$2.2M, allowing the city to invest in capital improvements to the water system.
- EM Gerry Ambrose implemented new Budget Purchasing Ordinances and a Fund Balance Policy during April 2015.
- The Executive Director of the State Tax Commission notified the city that it must maintain adequate assessment records in compliance with state statute, State Tax Commission rules, and implement any corrective actions necessary. In addition, the city shall implement a full appraisal within a time frame agreed with the State Tax Commission.
- The City of Flint continues to inform residents that it is in violation of the Clean Water Standards Act, after unsafe levels of trihalomethanes (TTHM, a disinfectant by-product) were found in the water. Recent testing by the Michigan Department of Environmental Quality (MDEQ) Testing Lab showed that the total TTHM levels for the month of March are well within the Environmental Protection Agency (EPA) guidelines for safe water. However, because EPA regulations require that the four month average for all testing sites be within certain guidelines, the city is still considered to be non-compliant by the MDEQ. Monthly testing remains ongoing and is being conducted by several parties.
- The city hired Veolia to provide an analysis of the water system, including recommended improvements and associated costs. Recommendations included water plant improvements, distribution system improvements, new policies and procedures, and better communication with customers. The city is installing a \$1.5M granulated active-charcoal filter to improve water quality. This filter installation will be completed in mid-July.
- In April, EM Gerry Ambrose issued two EM Orders that adopted a two-year budget for FY 17 and FY 18 and outlined the relationship between the Administrator, Mayor, and City Council.
- On April 13, 2015, EM Order 4 was issued that restored the pay of the Mayor and City Council members.
- The City Council approved a memorandum of understanding that will consolidate the 67th District Court with the 68th District Court in January 2016. The city has estimated that the consolidation will save the city \$8M over a ten year period.
- The Michigan Municipal League is recruiting qualified candidates to fill the open Human Relations Director, Finance Director, and City Treasurer positions.
- Voters elected John Cherry, Charles Metcalf, Barry Williams, Cleora Magee, Jim Richardson, Brian Larkin, Victoria McKenzie, Marsha Wesley, and Heidi Phaneuf to serve on the Charter Commission.

Significant Actions/Issues

- On February 3, 2015, the city was awarded \$2M through the Financially Distressed Cities, Villages, and Townships Grant Program. These funds will be used to enhance the city's water system through improved waste management, leak detection, and pipe assessments. Pre-planning for implementation of these activities is underway.
- If the city loses a lawsuit over retiree healthcare, the EM's two-year budget does not assume this additional \$5M to \$6M annual expense, which will grow at a rate equal to the general rise in healthcare costs.

Hamtramck

RTAB Appointed: December 18, 2014

RTAB Members: Deborah Roberts, Mark Stema, Cathy Square, Karen Young

Recent Developments

- The Police Chief resigned on March 11, 2015. Lieutenant Ann Moise was appointed Acting Police Chief.
- Per the 2014 audit, the General Fund's accumulated fund balance is \$2.8M out of a total budget of \$16.2M.

Significant Actions/Issues

- On February 3, 2015, the city was awarded \$622K through the Financially Distressed Cities, Villages, and Townships Grant Program. These funds will be used to complete a property reappraisal which will provide updated and accurate assessing records, upgrade City Hall security, and enhance public safety through improved street lighting.
- A complaint was filed in the federal court by Hamtramck retirees over changes to healthcare benefits in October 2014. The potential exposure to the city is currently unknown.
- The annual pension liability is anticipated to increase from \$3.5M in FY 15 to \$4.3M in FY 19. This increase is a result of closing certain pension plans and the Michigan Employee's Retirement System (MERS) policy of accelerating the required contribution for closed plans. These increases were included in EM Square's two-year budget. The Segal Group has been hired to provide the city with recommendations on funding its pension obligations.

Pontiac

RTAB Appointed: August 19, 2013

RTAB Members: Edward Koryzno, Louis Schimmel, Keith Sawdon, Robert Burgess

Recent Developments

- On April 22, 2015, the RTAB postponed consideration of an amendment to the city's retirement ordinance that would have granted early retirement status to 69 former employees. This ordinance amendment was adopted by the City Council at its April 9, 2015 meeting with no prior announcement or analysis of the issue. No actuarial study was conducted for this change, but the best available estimates indicated the impact to the city's pension system could be approximately \$9M-\$13M per year. The Mayor, City Administrator, and Finance Director are opposed to this amendment.
- On April 29, 2015, the City Administrator informed Treasury that the City Council is considering adopting an amendment to the city's retirement ordinance that would permit the pension system to absorb \$659,000 in COLA overpayments that were made to city retirees. Such an action is permissible under new rules adopted by the Internal Revenue Service. The City Council may consider this ordinance amendment at a future Council meeting. The RTAB postponed action on this issue until City Council takes action. Treasury is monitoring this situation.

Significant Actions/Issues

- On February 3, 2015, the city was awarded \$125K through the Financially Distressed Cities, Villages, and Townships Grant Program. These funds will be used for community enhancement through blight management.
- The City Charter proposal was rejected by voters by a 45% to 55% margin.
- In April 2014, the Final Emergency Manager Order was amended to create a Deputy Mayor position. A suitable candidate was not found through a Michigan Municipal League (MML) search. TJA Staffing and Associates has been hired to recruit a Deputy Mayor as part of the transition back to Home Rule.
- Per the audit, the General Fund's accumulated fund balance for FY 14 is approximately \$5M out of a total budget of \$27M.
- Oakland County Circuit Court Judge Michael Warren dismissed the city's condemnation lawsuit involving the Phoenix Center because the city failed to include compensation for the lien placed on the property. The city is preparing an appeal of the decision to the U.S. Sixth Circuit Court of Appeals.
- The City of Pontiac Retired Employees Association v. City of Pontiac lawsuit in the United States District Court was reassigned from Judge Lawrence P. Zatkoff to Judge Avern Cohn. The lawsuit challenges former EM Schimmel's elimination of retiree healthcare and replacement with an annual stipend. The General Employees Retirement System (GERS) Pension Fund is significantly overfunded and the parties are exploring options to use the overfunded portion to fund retiree healthcare.
- On March 17, 2015, the Michigan Court of Appeals reversed and remanded for trial a previous lower court dismissal of a 2013 lawsuit which challenged the EM ordered nonpayment of \$3.9M into a VEBA trust for the fiscal year ending 2012. This appellate order is not a judgment against the city; rather it allows the previously dismissed lawsuit to proceed. The actual liability of the city will be determined either by a future settlement or by a final determination of the Oakland County Circuit Court.

CONSENT AGREEMENT

Inkster

Date Executed: February 20, 2012

Consent Agreement Consultant: Mark Stuhldreher

Recent Developments

- On May 14, 2015, the City Council agreed to settle the Dent lawsuit regarding police misconduct for \$1.37M. The cost of the settlement will be placed on the tax roll by a judgement levy.
- On April 20, 2015, Wayne County Prosecutor Kym Worthy announced charges of assault and mistreatment of a prisoner (Richard Dent) against William Melendez, former Inkster police officer.
- In the wake of a violent interaction between Inkster police and a suspect, Inkster Police Chief Vicki Yost announced her resignation on April 22, 2015. The city hired a search firm to recruit qualified candidates to fill the Police Chief position, which is expected to be filled by the end of June.
- On April 20, 2015, the city adopted a working capital reserve policy for the Water and Sewer Fund which will provide funds for emergency situations.

Significant Actions/Issues

- On February 3, 2015, the city was awarded \$855K through the Financially Distressed Cities, Villages, and Townships Grant Program. These funds will be used to complete a property reappraisal to provide updated and accurate assessing records, enhance the water system through fire hydrant repairs, and enhancing public safety through the creation of a multi-jurisdictional narcotics team, police officer training, deployment of an additional police officer, providing a backup power source, and updating technology.
- The FY 14 General Fund accumulated deficit per the most recent audit is \$767K out of a total budget of \$11M.

River Rouge

Date Executed: December 15, 2009

Consent Agreement Consultant: N/A (P.A. 72)

Recent Developments

- A fire union collective bargaining agreement (CBA) was approved on March 10, 2015, resulting in a reduction in health care costs.

Significant Actions/Issues

- On February 3, 2015, the city was awarded \$592K through the Financially Distressed Cities, Villages, and Townships Grant Program. These funds will be used to enhance public safety through improved street lighting, along with infrastructure replacements to City Hall.
- General fund revenues exceeded expenditures by \$885K in FY 14 and the accumulated fund balance was \$1.9M.
- A reduction in healthcare benefits for active employees and retirees was implemented on November 1, 2014. The city estimates an annual savings of \$400K, which includes savings expected under the approved fire union CBA.

Royal Oak Township

Effective Date: April 21, 2014

Consent Agreement Consultant: Robert Burgess

Recent Developments

- Treasury has been informed that the Township Supervisor is regularly approving overtime for employees. Overtime is not included in the 2015 budget, and the Consent Agreement requires State Treasurer approval prior to any overtime expenditures. This is another example of the township's inability to comply with the terms of the Consent Agreement. Treasury is working with Robert Burgess on a response to this development.
- On April 7, 2015, Oakland County notified the township that they rejected the proposed ballot language for 4½ mils for general operations because the township's proposed language did not conform to guidelines. The township adopted newly proposed ballot language on April 23, 2015. This language has been resubmitted to Oakland County.
- An Order was issued by Mr. Burgess on May 9, 2015 to contract for financial consulting services with the Rehmann Group that will assist the township in preparing records for its annual audit and budget amendments.

Significant Actions/Issues

- On February 3, 2015, the township was awarded \$274K through the Financially Distressed Cities, Villages, and Townships Grant Program. These funds will be used to enhance public safety through improved street lighting and increased police services. 195 street lights would be converted to LEDs; it is anticipated that work will be completed by August 2015.
- The Michigan State Police (MSP) continues to provide police services to the township. The Department of Treasury and the MSP continue to work towards an alternative to MSP services. A proposal from the City of Hazel Park is not financially feasible due to expense and the city's unwillingness to amend the proposal to better accommodate the township's ability to pay. Mr. Burgess has met with the City of Detroit to determine if the city is interested in submitting a proposal to provide police services to the township.
- The State Treasurer approved the township's 2015 budget on December 16, 2014, with the requirement that the township work with Treasury to implement additional budget amendments to improve its overall effectiveness. No additional actions have occurred to implement these additional budget amendments and Mr. Burgess is questioning the ability of the township's newly hired financial analyst to provide service to the township.
- The township has paid its aging accounts payable that was in excess of \$200K. Mr. Burgess has requested the Township Board adopt budget amendments to the 2015 budget totaling \$220K to accommodate these unanticipated expenditures. The Township Board has refused to adopt the requested amendments. Treasury is working with the CAC Burgess on a response to this issue.

NEUTRAL EVALUATION

Highland Park

Financial Review Team Appointed: December 2, 2013

Financial Emergency Declared: January 30, 2014

PA 436 Option Selected: Neutral Evaluation

Recent Developments

- Treasury staff is continuing to monitor the city's progress or lack thereof, in complying with the terms of the Loan Agreement dated September 23, 2014. There are concerns about their ability to successfully restructure their finances and they have failed to implement the health insurance benefit cost reductions as planned in FY 15. In addition, failure to reach an agreement with DWSD resulted in a \$20M judgement levy against the city. Finally, there have been problems in implementing the regular billing of water and sewer service to its customers and the calculation and collection of past due amounts owed to the city, since regular billing ceased in mid-2012.
- On April 24, 2015, the Detroit Water and Sewerage Department (DWSD) was granted a judgment levy to collect \$20M for sewer service that is currently owed to DWSD.
- The DWSD Director has threatened to terminate water and sewer services if the city doesn't pay its arrearage and current charges.
- A Wayne County Circuit Judge issued a temporary restraining order on April 29, 2015 blocking DWSD's efforts to cut off water service to the City of Highland Park. In addition, the judge also set aside the \$20M judgment against the City of Highland Park for failure to pay DWSD for water and sewer services. The judge has set a conference hearing on this matter for June 4, 2015.

Significant Actions/Issues

- On February 3, 2015, the city was awarded \$2M through the Financially Distressed Cities, Villages, and Townships Grant Program. These funds will be used to enhance the city's water system through meter replacement, leak detection, and system repairs.
- Huron Consulting was retained to prepare a request for proposal to solicit firms to operate and maintain the city's water and sewer systems, as required by the city's Plan of Adjustment. The city received one proposal from Wade Trim by the submission deadline of May 4, 2015. This proposal is under review by the City and Treasury.
- The city's liabilities total \$117.6M. Some of the major components are: \$55.3M debt, including \$20.7M owed to the DWSD, \$17.7M pension bonds, and \$26.1M unfunded other post-employment benefits (OPEB) liabilities.
- Summary of the Plan of Adjustment for the City of Highland Park was adopted on August 28, 2014:
 - o The city must make major reductions to retiree healthcare benefit costs.
 - o In August 2015, an emergency loan of \$12M plus restructuring of \$4.8M existing loans will be requested by the city to refund \$2.7M in Fiscal Stabilization Bonds, \$5.2M in Financial Recovery Bonds, and \$3.7M in State Revolving Fund Bonds. The status of this request will be reviewed in the context of benchmarks the city committed to in their last emergency loan in September 2014.

OTHER COMMUNITIES

Wayne County

Recent Developments

- The Recovery Plan has been released to the public and Treasury has begun an analysis of the plan.

Significant Actions/Issues

- Cash reserves reached its lowest point in February 2014 with pooled cash falling to approximately \$22M. The August 2014 cash balance was approximately \$150M. This number includes proceeds from a short-term borrowing of \$75M.
- The County's annual structural general fund deficit is approximately \$50M prior to any of the proposed remedial actions.
- The preliminary results of the county's actuarial report indicate a drop in other post-employment benefits (OPEB) liability of approximately \$409M. This reduction is a result of the county choosing less expensive plans and implementing cost sharing measures. The Plan participants are now paying a larger share of the cost. This does not include any saving opportunities resulting from a proposed change to retiree healthcare.
- The county is working to resolve a disagreement with the Mental Health Authority over services provided to jail inmates. The county currently pays for this service but believes it falls under the purview of the Authority.
- The county has not yet proposed a long-term solution to its jail problems.

From: Brownfield, Michael (GOV)
Sent: Tuesday, November 24, 2015 5:02 PM
To: Snyder, Rick (GOV)
Cc: Agen, Jarrod (GOV); Clement, Elizabeth (GOV); Walsh, John (GOV); Scott, Allison (GOV)
Subject: Revised State of State outline - V3
Attachments: SOTSv3-11-24-2015.docx

Governor –

Per your request, this is the revised State of the State outline in Word, including changes from today.

Mike

2015

- I. Intros and Acknowledgments
- II. Dashboard
- III.

Redacted

G. Transition to 2016

- 1. **Redacted**
- 2.
- 3. Flint, review other infrastructure (water & sewer)
- 4. **Redacted**

2016 and Forward -- Connecting All Corners of Michigan: We're stronger when we're working together.

I.

Redacted

II.

Redacted

From: Utley, Corey (GOV)
Sent: Saturday, September 13, 2014 2:08 PM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV)
Subject: St. Luke N.E.W. Life Center Follow Up

Below are the items you wanted to follow up on from Friday:

- # Redacted
-
-
-
-
- Flint Boil Water issues
- **Redacted**

Redacted

CLU

Corey Utley
Advance Coordinator
Executive Office of Governor Rick Snyder
work 517.241.2312
cell [REDACTED]
utleyc@michigan.gov

From: Murray, David (GOV)
Sent: Wednesday, December 09, 2015 12:38 PM
To: Snyder, Rick (GOV); Scott, Allison (GOV)
Cc: Agen, Jarrod (GOV); Holland, Meegan (GOV)
Subject: Requested background information for interviews
Attachments: Handout_ExpandedInformation_Education_Energy_CJ_Flint.pdf

Good afternoon, Governor,

Attached is a single PDF with the handout and the expanded information, plus the briefings on energy, education, criminal justice, and Flint included.

I think this is everything you requested, but please let me know if there is anything else we can provide.

Dave

GOVERNOR RICK SNYDER



HIGHLIGHTS FROM 2015

In 2015, we worked hard to continue Michigan's remarkable reinvention, addressing our most difficult challenges with Relentless Positive Action.

Together, we have come a long way over the last five years, but there is still more to accomplish.

CREATING JOBS

- » Created more than 420,000 private sector jobs since 2011.
- » Lowest unemployment rate in 14 years.
- » September 2015 marked the first month since August 2000 that Michigan's jobless rate was below the national rate.
- » Michigan ranks No. 1 in automotive jobs and No. 5 in overall job creation.
- » Launched the Rising Tide initiative, providing economically challenged communities with tools to design and build a successful economic framework.

FIXING OUR ROADS

- » Secured a long-term, comprehensive, sustainable solution to improve Michigan roads.
- » The single largest investment in Michigan's roads over the last half century, providing an additional \$1.2 billion over the next five years to improve road conditions.
- » The plan ensures room for smart economic growth while continuing to invest in core priorities like education and our local communities.

BALANCING OUR BUDGET

- » Michigan is five for five in getting balanced budgets done months ahead of the deadline.
- » Ranked first nationally in Index of State Budget Process Quality, and second for most improved credit rating.
- » The Rainy Day Fund will increase to \$565 million at the end of FY2016 after being at \$2 million in 2010.

HIGHLIGHTS FROM 2015

RIVER OF OPPORTUNITY

- » Restructured state government to put people first and help them succeed.
- » Created the Michigan Department of Health and Human Services to eliminate silos in state government and better serve our valued customers.
- » Expanded Pathways to Potential into nine additional counties in 20 new schools and reduced chronic absenteeism by 37 percent in the 219 Pathways schools.
- » Served more than 28,000 families with rental assistance to help reduce homelessness.
- » MI First Home mortgage program allowed 1,563 families to attain the dream of homeownership, compared to 1,103 by this time in 2014.

FOCUSING ON SKILLED TRADES

- » Created the Department of Talent and Economic Development and the Talent Investment Agency to close the skills gap and prepare talent for the highly skilled, technical jobs of today and tomorrow.
- » Invested \$85 million for skilled trades to develop a skilled workforce to support career and technical education and early/middle college programs. This allows students to earn a high school diploma, an associate's degree, technical certification, or up to 60 college credits through dual enrollment; skilled trades training and equipment programs, and increased funding for vocational education programs.

A HEALTHIER MICHIGAN

- » Celebrated the first year of the Healthy Michigan Plan with more than 600,000 Michiganders enrolled.
- » Healthy Kids Dental expanded to include Wayne, Oakland and Kent Counties and now operates in all of Michigan's 83 counties, covering 220,000 kids from birth to age 12.
- » Continued carrying out the recommendations of the Mental Health and Wellness Commission.
- » Increased support for children and families dealing with autism.
- » Tested more than 110,000 newborns for severe disorders.

2015 Accomplishments Highlights

Confirmed: Lowest unemployment rate in **14 years**.

- DTMB Release September 2015: https://www.michigan.gov/documents/dtmb/State_8-15_Unemployment_500182_7.pdf

Confirmed: September 2000 marked the first month since August 2000 that Michigan's jobless rate was below the national average.

- DTMB release from October 2015: https://www.michigan.gov/documents/dtmb/LMI-Oct14_Release_503066_7.pdf

Details: Pathways to Potential: Expanded the program into nine additional counties in 20 new schools.

- Nine counties: Berrien, Clare, Gladwin, Gogebic, Grand Traverse, Jackson, Kalkaska, Manistee, Ontonagon

Details: Served more than 28,000 families with rental assistance to help reduce homelessness in Michigan

- MSHDA served over 28,000 families with rental assistance on the Housing Choice Voucher program while receiving a 'High Performer' rating from HUD. The 'High Performer' rating is on the annual Section 8 Management Assessment Program (SEMAP). The Housing Choice Voucher program also received high marks on a recent HUD audit of its financial reporting with no findings annotated in the report. Other accomplishments:

Details: MI First Home mortgage program allowed 1,563 families to attain the dream of homeownership, compared to 1,103 by this time in 2014

- MSHDA's MI First Home total funding exceeded \$139.7 million, up from \$88.8 million in 2014
- MI First Home loan program is a mortgage product that is available to first-time homebuyers state-wide and repeat homebuyers in targeted areas

Details: \$85 million for skilled trades to develop a skilled workforce.

- \$10 million increase for career and technical education and early/middle college programs
- \$10 million increase for skilled trades training programs
- \$7.2 million increase for the Jobs for Michigan Graduates, MAT2, Re-employment opportunities for Unemployed Workers, expanded MCAN College Advisor Outreach, updated student career planning tool, support for New Americans, and to pilot statewide student dual enrollment awareness campaign.
- \$57.5 million for existing related skilled trade programs, including \$36.6 million for vocational tech centers.
- Skilled trades efforts
 - 6,700 skilled trade job openings each year through 2022

- The Community College Skilled Trades Equipment program provided \$50 million in grants to 18 community colleges for the purchase of state-of-the-art equipment that will allow them to deliver educational programs in high-wage, high- and middle-skill, and high-demand occupations. The 18 community colleges selected to receive grants are providing more than \$21.5 million in matching funds.
- Campaign aimed at promoting opportunities in skilled trades to students and help close a growing talent gap. Through a partnership between the Michigan Economic Development Corporation, Michigan's Talent Investment Agency, Mike Rowe, TV host and founder of mikeroweWORKS, and Tom Daldin, host of Under the Radar Michigan, 11 videos will be created to address common misconceptions and perceptions about skilled trades, highlight opportunities and inspire K -12 students in Michigan as they begin to think about careers.
- Governor Snyder's statewide road show intended to connect with students, parents and educators to address perceptions and create more awareness on skilled trade careers. The road show will continue around the state over the next few months.
- Skilled Trades Training Fund trained more than 8,700 Michigan residents, and more than 275 companies took advantage of the program.

Growth: Healthy Kids Dental expansion

- FY 2010:
 - Program served 285,000 children in 61 counties.
- FY 2016:
 - Program serves 895,000 children in 80 counties & 3 partial counties (Oakland, Wayne, Kent)
- Change:
 - +19 FULL counties, 3 PARTIAL
 - +610,000 children
 - +214%

Examples: Continued carrying out the recommendations of the Mental Health and Wellness Commission.

- DHHS supported Mental Health First Aid training for 11,619 school staff, law enforcement, child welfare staff, court staff, and other Michigan residents through Mental Health and Wellness Commission funding. Mental Health First Aid is a course dedicated to providing individuals with the basic tools required to assist others in case of a developing mental illness or mental health crisis situation.
- Progress in 2015 includes:
 - Health Homes: Rolling out demonstrations in Manistee, Washtenaw, and Grand Traverse counties, to provide in-home integrated physical and behavioral healthcare for individuals with serious mental health conditions.
 - Children's Behavioral Action Teams: Referring children across the state to Children's Behavioral Action Teams which work with relatives and

community partners to transition high-risk youth out of institutions and into their communities. The program is currently assisting 14 youth in seven Michigan counties, and has helped discharge seven youth from the Hawthorn Center.

- Stigma Reduction Campaign: Partnering with advocacy organizations across the state to implement the campaign on traditional and social media.
- Project UNIFY: Working with 162 schools and the Special Olympics' initiative, encouraging more inclusive school environments for children with developmental disabilities.
- Project SEARCH: Eleven schools are now placing young adults with developmental disabilities as interns in local businesses for their last academic year. This program is designed to lead to employment opportunities for participants and each school strives for a 60 to 100 percent employment rate.
- Pathways to Potential: This program, which has expanded to 219 schools in 22 counties, puts success coaches in schools to work with principals, teachers and social workers to remove barriers to children attending school. These success coaches also partner with other organizations to provide easier access to needed assistance.
- Housing Assistance: Providing 250 housing units in the communities with the most need and is on track to provide a total of 500 units in three years.
- Smart 911 Rollout: Smart 911, which allows callers to provide dispatchers with more information about their situation, has been deployed in 14 counties and one city.

Details: 110,000 newborns tested for severe disorders

- Newborn Screening tested more than 110,000 newborns, providing early diagnosis for more than 50 rare, severe disorders.
- The Michigan Newborn Screening Program (DHHS) celebrated its 50th anniversary in 2015.

Detroit blight removal/demolition costs update:

Background

- As a first-of-its-kind national pilot, in 2013, MSHDA built Michigan's Hardest Hit Fund demolition program in the best, most efficient way possible at the time
- It was designed as a true federal, state, city partnership
- According to a review by the U.S. Treasury, MSHDA had outlined proper oversight and guidelines in its blight program manual for blight partners:
 - It contained everything from strategic plan submission requirements to partner participation agreements to a spending timeline, funding schedule, invoicing, performance reporting and much more.
- However, it contained no requirements for MSHDA to monitor either bid contracting or change orders among blight partners and Treasury
- MSHDA saw no need to add an extra layer of restriction above and beyond what was federally required

Treasury

Sally Durfee

Tom Saxton

Wayne Workman

DHHS

Nick Lyon

Elizabeth Hertel

Geralyn Lasher

Dr. Eden Wells

Tim Becker

DTMB/Budget

Chris Harkins

John Roberts

DEQ

Dan Wyant

Maggie Pallone

Paul McDonald

George Krisztian

Brad Wurfel

Karen Tommasulo

Jim Sygo

Thank you for adjusting your schedule to accommodate this meeting/conference call at 8:00 a.m. We so very much appreciate your cooperation.

Mary Beth Thelen

DEQ

517-284-6712

From: Dickinson, Sarah (GOV)
Sent: Wednesday, October 07, 2015 6:19 PM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Agen, Jarrod (GOV); Emmitt, Beth (GOV); Bedan, Morgan (GOV); Utley, Corey (GOV); Dickinson, Sarah (GOV)
Subject: October 8 Daily Briefing
Attachments: [REDACTED] 151008 Daily Briefing.pdf

Governor,

Some documents for the Press Conference are enclosed, but updated information may be sent from the Communications team later this evening.

Attached is your Daily Briefing for October 8. The briefing contains:

Redacted

Events

- Flint Water Press Conference – Pages 9 - 22
 - Briefing
 - FAQs for Media Q&A
 - Talking Points for Director Lyon and Dr. Wells
 - Communications and Outreach Plan
 - Press Release

Redacted

Meetings

- Call with Congressman Kildee – Pages 27 - 33
 - Governor Snyder Letter to Congressman Kildee
 - Kildee Response Letter to Governor Snyder
 - Kildee Letter to EPA, DHHS, CDC, FEMA
 - Kildee Letter to EPA Re: Loan Forgiveness

Redacted

Redacted

Please let us know if you have any questions.

Thank you,
Sarah

Attachment Redacted as Irrelevant

Governor Rick Snyder

October 8, 2015

Daily Briefing

Contents	Pages
Redacted	
Events	
Flint Water Press Conference* 1. Briefing – Page 9 2. FAQs for Media Q&A – Page 12 3. Talking Points for Director Lyon and Dr. Wells – Page 15 4. Communications and Outreach Plan – Page 18 5. Press Release – Page 21	9 - 22
Redacted	
Meetings	
Call to Congressman Kildee 1. Governor Snyder Letter to Congressman Kildee – Page 27 2. Kildee Response Letter to Governor Snyder – Page 28 3. Kildee Letter to EPA, DHHS, CDC, FEMA – Page 29 4. Kildee Letter to EPA Re: Loan Forgiveness – Page 31	27 - 33
Redacted	
For Review	
Redacted	
Local Government Update 1. Treasury Memo – Page 44 2. Summary – Page 54	44 - 56
Redacted	

*Communications team may be sending updated info tonight

Redacted Pages 2-8

Briefing: Flint Water System Press Conference

Thursday, Oct. 8, 2015

Mott Foundation/Commerce Center Building Ground Floor

519 S. Saginaw St., Flint

Communications: Sara Wurfel, 517-599-3470, wurfels@michigan.gov

Dave Murray, 517-449-8343, murrayd1@michigan.gov

Purpose:

We're announcing the decision to reconnect Flint to the Detroit Water and Sewerage Department, a collaborative effort between the state government, Flint city government and the Mott Foundation.

High level points:

- Protecting the health and safety of our residents in Flint and across Michigan is always our top priority.
 - All Michigan residents need access to safe, clean water.
- That's why today, in consultation with health and water experts in our state agencies, I'm advocating reconnecting the Flint drinking water with the Great Lakes Water Authority.
- I'm recommending to my partners in the Legislature that the state government provide \$6 million of the needed \$12 million to reconnect with authority.
 - The Flint city government has agreed to cover \$2 million of this cost, and the Charles Stewart Mott Foundation is generously offered to donate \$4 million.
- What you are seeing here today is a community coming together to work toward solving a problem.
 - I appreciate the assistance of Mayor Walling, and the U.S. Environmental Protection Agency.
 - This is a collaborative approach, and I appreciate that community organizations including the United Way and come forward to assist.

Agenda:

9:00 AM - 9:45 AM	Gov meets with Mayor Walling in [Room 1]
9:45 AM – 10:00 AM	Pre-Brief in [Room 2]
10:00 AM – 10:01 AM	Harvey Hollins kicks off press conference; introduces Governor
10:01 AM – 10:05 AM	Governor gives remarks
10:05 AM – 10:06 AM	Harvey Hollins introduces Mayor Dayne Walling
10:06 AM – 10:10 AM	Mayor Walling gives remarks
10:10 AM – 10:11 AM	Harvey Hollins introduces DEQ Director Dan Wyant
10:11 AM – 10:15 AM	Director Wyant gives remarks
10:15 AM – 10:16 AM	Harvey Hollins introduces DHHS Director Nick Lyon
10:16 AM – 10:17 AM	Director Nick Lyon introduces Dr. Eden Wells
10:17 AM – 10:20 AM	Dr. Eden Wells remarks
10:20 AM – 10:21 AM	Harvey Hollins introduces Ridgway White of Mott Foundation
10:21 AM – 10:25 AM	Ridgway White gives remarks
10:25 AM – 10:35 AM	Q&A from the podium
10:35 AM	Event concludes; Governor departs

Attendees: Roughly 20 in audience

Susan	Borrego	Chancellor, U of M Flint
Oscar	Overton	Pastor
Alfred	Harris	Pastor

Latrell	Holmes	Pastor
Jim	Ananich	Michigan Senate
Sheldon	Neely	Michigan House
Phil	Phelps	Michigan House
Jeff	Wright	Drain Commissioner, Genesee County
Amy	Hovey	Dan Kildee office
Jamie	Gaskin	Dan Kildee office
Tim	Herman	Flint Chamber of Commerce
Brian	Larkin	Flint Chamber of Commerce
Eric	Mays	Flint City Council
Jacqueline	Poplar	Flint City Council
Kerry	Nelson	Flint City Council
Joshua	Freeman	Flint City Council
Wantwaz	Davis	Flint City Council
Herbert	Winfrey	Flint City Council
Monica	Galloway	Flint City Council
Vicki	VanBuren	Flint City Council
Scott	Kincaid	Flint City Council

Speaker comments:

RDS – Collaboration led to solution, outline of solution

Mayor Walling – Importance of solution to Flint

Dan Wyant – School testing results, overview of steps on transition from Flint River to DWSD

Nick Lyon – DHHS involvement

Dr. Eden Wells – Testing of water going forward, use of filters approved by NSF

Ridgway White – Importance of collaboration/commitment to Flint

Talking points:

- Protecting the health and safety of our residents in Flint and across Michigan is always our top priority.
 - All Michigan residents need access to safe, clean water
- That’s why today, in consultation with health and water experts in our state agencies, I’m advocating reconnecting the Flint drinking water with the Great Lakes Water Authority.
- I’m recommending to my partners in the Legislature that the state government provide \$6 million of the needed \$12 million to reconnect with authority.
 - The Flint city government has agreed to cover \$2 million of this cost, and the Charles Stewart Mott Foundation is generously offered to donate \$4 million.
 - The Michigan Department of Health and Human Services and the Department of Environmental Quality today also is committing an additional \$3.5 million for water filters, free lead testing through the state laboratory for Flint water customers, and hiring additional staff to conduct health exposure monitoring for lead in drinking water.
- What you are seeing here today is a community coming together to work toward solving a problem.
 - I appreciate the assistance of Mayor Walling, and the U.S. Environmental Protection Agency.
 - This is a collaborative approach, and I appreciate that community organizations including the United Way and come forward to assist.
- Today’s announcement is an important step as we move forward together.
 - But it is not our first step, nor will it be our last.

- This announcement builds on work we've already set in place.
 - That includes \$4.2 million in state grants and loan restructuring to help identify and fix infrastructure problems.
 - State agencies have been working closely with Flint leaders and the community for more than a year.
- There will be more to do.
 - Flint has an aging water infrastructure system with challenges that we – together – will continue to address.
- We will continue to test Flint schools for lead levels in drinking water.
 - Schools across the state might also have questions.
 - The Department of Environmental Quality will work with districts across the state to provide testing.
 - Districts can send water samples and paperwork and the nominal charge. (It costs \$26 per sample).
- The steps outlined in the comprehensive action plan are still in effect.

Switch to Great Lakes Water Authority

What finally pushed the state to this decision?

This was the City's request, and the Governor supports it, based on several key factors:

In the near term, DWSD water will be easier to manage. It comes from a more stable source than the river, it is fully optimized for corrosion control, and it is clear that residents of Flint have more confidence in this water source.

Will this solve Flint's water crisis?

In combination with the other short term, intermediate term and long-term steps outlined last week, this move represents a big step forward. Flint still has serious system maintenance challenges it must address.

If you're saying residents will still have lead because of their plumbing, does that mean every other city in this state has a lead problem?

Many areas of the state have lead in their infrastructure mix.

Where's the state getting the money to fund this?

We have submitted a formal request to lawmakers via the appropriations process.

Where's the city getting the money to fund this?

The city is contributing all it can, and is getting assistance for its match from the Mott Foundation.

How long will the switch take?

The switch will be completed by the City and Great lakes Water Authority, but our understanding is that it can be accomplished in the very near term once the arrangements are complete.

How long will it take before Detroit's corrosion controls provide protection for Flint?

It will take some time for the corrosion control additives to build on pipe walls throughout the system. Estimates vary. The state can assure we will commence monitoring of the system early 2016 and report results as we get them to keep the community updated.

Why do residents still need to use filters and bottled water?

The filters and bottled water are responsible precautions for any resident concerned about lead exposure.

Do the filters actually work? We've been hearing they don't protect for lead.

Yes, the filters work. They are all certified for lead removal by the National Sanitation Foundation.

The filters are only good for 100 gallons. What happens when they are used up?

They will need to be replaced. And residents can get a new filter.

What about restaurants?

What's going to be done about lead service lines?

Long term, this is the only permanent solution to lead exposure. The state has committed to helping the city accomplish this goal long term.

Do you wish you'd made this switch sooner?

We support the City's decision. We can't look backward. We feel the state has responded quickly and effectively as information has surfaced, been investigated and verified. While the City of Flint is, right now, in compliance with the federal Lead and

Copper Rule, we recognize there is a disparity between surveillance testing and other testing happening in the community that we need to better understand and we are working on developing our knowledge.

Schools testing**What do these results say?**

The results say we need to further investigate Flint schools and help the schools find clearer causes for some the results we got.

Any theories about what's going on?

It is possible there are specific points in the plumbing that have lead components which need to be replaced, but we can't say anything definitively until we perform an investigation at each school.

Do the schools have lead service lines? If not, why are they getting such high results?

The schools we tested initially do not have lead service lines. There are a few possible reasons why lead is being detected at specific points in the buildings and not others. When we know things definitively, we will make the information public.

How long do the schools have to stay on bottled water? Just until the switch to Detroit, or longer term?

We are encouraging the schools to continue their current protective measures as a precaution until we can get into the buildings and get more answers.

Why did you only test 13 schools?

That was what the Flint Public Schools requested.

What happens to other schools?

We will test all the schools in Flint if they request it.

What about the schools that can't afford to update their entire plumbing systems?

This is why we are having plumbing assessments completed. There is no way to know yet what each building will require.

How confident are you in your testing? You've got results all over the map.

We are confident that our testing meets the requirements for the federal Lead and Copper Rule, which is surveillance monitoring. The bigger question is whether surveillance monitoring meets the public health protection standards that Lead Exposure Testing methods do. The EPA is working on that question now, and we are engaged in that dialogue.

What do you mean by "health exposure testing"? What are you doing next?

The 90th percentile of your results is still below 15 ppb. Does that make you more or less confident in your testing and in your protocols?

It makes us confident that the testing protocol delivers consistent results. But again, it does raise questions about whether this testing method shows what people think it does or what they really want to know, which is actual lead exposure from lead plumbing in a home.

Any idea how long kids have been exposed to lead? Was it before the move to the Flint River?

That is possible. We don't know.

How does the state bring this new information into the broader picture of kids' lead exposure across the state?

Blood Lead Levels in Flint Talking Points for Director Lyon and Dr. Wells

Water Filters

- Our first action item is to work closely with our public and private partners to provide water filters to Flint residents and MDHHS clients.
- To meet this priority, the governor identified one million dollars in state funding to purchase water filters for Flint residents.
- The Brita SAFF-100 filters being distributed by the department and GCCARD do meet the NSF/ANSI 53 standards for drinking water treatment units.
- The Brita faucet filtration system we are distributing are National Sanitation Foundation certified to reduce lead in drinking water.
- Free water filters are available to current Michigan Department of Health and Human Services clients and Flint residents who are on the Flint water system at four locations:
 - Flint residents who are not current MDHHS clients should visit one of two Genesee County Community Action Resource Department offices to obtain a filter.
 - at 2727 Lippincott and 601 North Saginaw in Flint
 - Current MDHHS clients in the city of Flint should visit their local MDHHS office
 - At 125 E. Union St. or 4809 Clio Road
- Staff will be onsite at all four locations from 9 a.m. to 4 p.m., Monday through Friday, to distribute filters and assist residents who have questions about proper installation.
- Extended hours are being offered at the Lippincott facility only, and will run until 7 p.m. on Thursday and Friday, and from 10 a.m. to 2 p.m. on Saturday. The other three locations will maintain 9 a.m. to 4 p.m. operating hours, Monday through Friday, for filter pick up.
- Given the questions and concerns regarding the change in water source in Flint, MDHHS authorized the use of emergency services funding to provide water filters for MDHHS clients receiving assistance in the city of Flint.
- This funding will support active Family Independence Program (FIP), Food Assistance Program (FAP), Child Development and Care (CDC), State Disability Assistance (SDA), State Disability Assistance (SDA), or Social Security Insurance (SSI) recipients so that they can obtain filters that are National Sanitation Foundation (NSF) certified to remove lead and ANSI Standard 53.
- MDHHS currently serves approximately 25,000 households in Flint.

School Testing and Results

- The state today also released the first results from its free lead screening program in schools.
- Out of 13 buildings tested, four samples spread over three buildings exceeded the federal action level of 15 parts per billion.
- However, this sampling provides only an initial screen, and MDHHS toxicologists will work with DEQ to conduct further testing.
- Schools on the Flint water system should continue using filtered or bottled water to protect against potential lead exposure.

Background Information

- Initial analysis of MDHHS data found that blood lead levels (BLLs) of children in Flint have followed an expected seasonal trend; due to small numbers further analysis was initiated.

- While this analysis of blood lead levels in Flint as a whole remains true, after a comprehensive and detailed review down to the zip code level, we have found that the state analysis is consistent with that presented by Hurley.
- Director Lyon is working closely with DEQ and the administration to take active steps to reduce all potential lead exposures in Flint, and across the state.
- Our Chief Medical Executive has been in communication with the lead investigator at Hurley Children's Hospital, and we continue to work with Hurley, the city of Flint, local and state leaders to verify and analyze data trends.
- Zip code-level data does show that there has been an increase in elevated childhood blood lead levels in specific communities.
 - This does not conclusively mean that the water source change is the sole cause of the increase, but data does show an association.
 - There is an increased proportion of children with elevated Blood Levels (ELBs) in several zip codes, particularly 03 and 04. These appear to have increased over the last 1.5 years.
 - Lead exposure can occur from a number of different sources (such as paint, gasoline, solder, and consumer products) and through different pathways (such as air, food, water, dust, and soil).
 - Although there are several exposure sources, lead-based paint is still the most widespread and dangerous high-dose source of lead exposure for young children in the US and Michigan.
- We reviewed MDHHS statewide data using the same methodology used by Hurley, looking at our numbers by zip code and age ranges, and filtering out non-Flint children.
- Routine surveillance of blood lead levels does not analyze data down to the zip code level. Detailed analysis like this occurs when there is reason to focus in on precise locations or populations.
- MDHHS is working closely with the Michigan Department of Environmental Quality, Hurley Children's Hospital, the Genesee County Health Department, and community organizations to initiate further action steps.
- We understand that cost may be a barrier to following the recommendations for drinking water, which is why NSF certified filters are being distributed to residents on the Flint water system free of charge.
- MDHHS is recommending that residents follow the Public Health Advisory issued by the Genesee County Health Department, as well as take further steps to reduce exposures to all forms of lead in and around their homes.

MDHHS Stats and Facts

- 'High Risk' Zip codes (48503 and 48504)
 - Blood lead level rates among children under six years of age in the high risk zip codes (48503, 48504) were 2.7 times higher than the rest of Genesee County before the switch to Flint River Water.
 - After the switch to Flint River Water, rates in the high risk Zip codes were 3.2 times that of the rest of Genesee County.
- Other Zip codes in Flint
 - Rates of elevated blood lead levels among children under six years of age in other parts of the city of Flint were 2 times that of the rest of Genesee County before the switch to Flint River Water.
 - The magnitude of the elevated rate remained roughly the same during the period after the water source switch.
- Lead abatement through MDHHS was federally funded up until FY14 when Michigan began providing additional funds to abate homes.
- In FY14, \$1.25M General Fund was added. In FY15, General Fund was bumped up to \$1.75M and FY16, General Fund remains at \$1.75M.

Reducing and Removing Lead Exposure

- In housing built before 1978, it can be assumed that the paint has lead unless tests show otherwise.
- Make sure your child does not have access to peeling paint or chewable surfaces painted with lead-based paint.
- Children and pregnant women should not be present in housing built before 1978 that is undergoing renovation. They should not participate in activities that disturb old paint or in cleaning up paint debris after work is completed.
- Create barriers between living/play areas and lead sources. Until environmental clean-up is completed, you should clean and isolate all sources of lead.
 - Close and lock doors to keep children away from chipping or peeling paint on walls. You can also apply temporary barriers such as contact paper or duct tape, to cover holes in walls or to block children's access to other sources of lead.
- Regularly wash children's hands and toys. Hands and toys can become contaminated from household dust or exterior soil. Both are known lead sources.
- Regularly wet-mop floors and wet-wipe window components. Because household dust is a major source of lead, you should wet-mop floors and wet-wipe horizontal surfaces every 2-3 weeks.
 - Windowsills and wells can contain high levels of leaded dust. They should be kept clean. If feasible, windows should be shut to prevent abrasion of painted surfaces or opened from the top sash.
- Take off shoes when entering the house to prevent bringing lead-contaminated soil in from outside.
- Prevent children from playing in bare soil; if possible, provide them with sandboxes. Plant grass on areas of bare soil or cover the soil with grass seed, mulch, or wood chips, if possible.
 - Until the bare soil is covered, move play areas away from bare soil and away from the sides of the house. If you have a sandbox, cover the box when not in use to prevent cats from using it as a litter box. That will help protect children from exposure to animal waste.
- Avoid using makeup, containers, cookware, or tableware to store or cook foods or liquids that are not shown to be lead free.
- Remove recalled toys and toy jewelry immediately from children.
- Use only cold water from the tap for drinking, cooking, and making baby formula. Hot water is more likely to contain higher levels of lead. Most of the lead in household water usually comes from the plumbing in your house, not from the local water supply.
- Shower and change clothes after finishing a task that involves working with lead-based products such as stained glass, making bullets, or using a firing range.

WIC Children

- There are 855 infants participating in WIC in Flint.
- We are working with partners at the United Way to ensure that WIC families have access to water filters and bottled water.
- In homes with infants on WIC, if the household has documentation from an official source of unsanitary water supply issues, that family may be eligible to receive ready-to-feed formula. Families should contact WIC to see if they are eligible.
- Each household would have to be looked at on an individual basis.
- WIC cannot cover bottled water.

Flint water action plan – next steps
Communications & Outreach Plan
DRAFT (10/7/2015)

Situation overview:

Water and concerns about lead levels in the city of Flint have been escalating since the city moved to the Flint River as its source of water after switching from DWSD in the spring of 2014 with local plans to move to a new water authority – the Karegnondi Water Authority or KWA – slated to be online in June 2016. Numerous tests have shown the water overall to be safe with non-detect lead levels when leaving Flint water treatment plant and below widely recognized federal action levels (15 ppb) in most surveillance monitoring. However, like many communities across the state and country, Flint's infrastructure is aging and hasn't been updated in decades, facing outdated lead service connections and lead pipes in individual homes. Some water tests have indicated definite elevated lead levels within some homes, neighborhoods and zip codes, with some children in those same areas also experiencing elevated lead levels, causing great concern for all parties.

Race, poverty and local governance (with city's history of emergency managers) have all been raised as issues or allegations, adding to the challenges.

Given all factors involved, it has been deemed prudent and best for public health and restoring confidence in water system to temporarily switch back to Detroit water, now governed by an entity called the Great Lakes Water Authority, as the city's water source until the new KWA is completed. A special technical advisory committee comprised of public health and drinking water experts has concurred and recommended such a path. The cost to do so is estimated at about \$12M over nine months. The state is proposing to cover about half of the cost with the city (\$2M) and community organizations (C.S. Mott Foundation at \$4M) pledging to cover the balance.

Goals/objectives:

- Ensure governor and state focus is on protecting public health and ensuring safe, accessible drinking water and all the action steps that are being taken to help ensure those two priorities.
- Minimize and diffuse finger pointing and tension between all stakeholders.
- Effective, concise communication that makes it clear for both residents and schools what next steps are and that state is committed to doing everything it can to help address situation in partnership and collaboration with city and community leaders.
- Restore confidence in Flint water.
- Convey shared responsibility to address.

Action steps/tools with timeline:

Wednesday, Oct. 7

- Coordinate with MI Depts of Environmental Quality and Health & Human Services
- Coordinate with Mott Foundation
- Find and finalize venue, logistics, establish security plan
 - Confirm live streaming capability and AV details (podium, sound system, mult box, lavalier and hand held mics, etc).
 - Determine visuals and room set up. Current plan is simply U.S., state of MI and city of Flint flags with "Taking Action on Flint Water" podium sign. (See attached).
 - Assure protest area, access and entrance points and plan, attendee list and contingency plans, etc
- Follow up discussions with DWSD, GLWA members (city, Oakland, Wayne & Macomb counties) and Mayor Duggan.
- Coordinate with Flint city communications
- Coordinate with DWSD/GLWA communications
- Coordination/briefing to MDE Superintendent of Schools Brian Whiston and DOC Director Heidi Washington

2 – 4:30 p.m. (TENTATIVE)

- Expanded technical advisory committee meets to discuss and evaluate corrosion control plans as well as potential implications and benefits of switch back to Detroit water.

3:30 p.m.

Governor briefs Senate and House Republican leaders

4:30 p.m. (TENTATIVE – dependent on timing and outcome of technical advisory committee)

- Send media advisory with basic notice of planned 10 a.m. press conference “to make an announcement re: Flint water”
- Scheduling invites Sen. Ananich and Reps. Neely and Phelps to press conference (no specific details yet)

5 p.m.

Touch base conference call with EO, DEQ, DHHS teams to close loops, share all latest information, determine last needed action items.

6 p.m.

- Send draft plan, release and all related materials to Governor and team for review and edit.

Thursday, Oct. 8

8 a.m.

- Team arrives in Flint to set up
- Final edits on all materials due to comms team.
- DEQ Director Wyant briefs Sen. Ananich and Reps. Neely and Phelps on specifics of next steps/plan briefs
- Governor calls Cong. Dale Kildee and briefs him on next steps/plan
- Bill McBride briefs U.S. Sens. Gary Peters & Debbie Stabenow

9 a.m.

- Meeting with Governor, Flint Mayor Walling, DEQ, DHHS, Mott Foundation to finalize details
- DEQ water testing lab and DHHS public health teams contact the Flint schools to share the testing results and next steps on protocol, actions
 - Flint Schools Superintendent Bilal Tawwab
 - Genesee Co. ISD Superintendent
- DHHS Dr. Eden Wells briefs Genesee Co. Health Dept/Health Officer Mark Valacak
- DEQ briefs Genesee Co. Drain Commissioner Jeff Wright
- SBO Director John Roberts contacts Senate and House Appropriations Chairs (Sen. Dave Hildendbrand & Rep. Al Pscholka) re: Detroit water switch and supplemental request
- DEQ Director Wyant and DHHS Director Nick Lyon contact respective budget subcommittee chairs and vice chairs (Sens. Marleau & Green and Reps. Roger Victory & Chris Afendoulis) re: Detroit water switch and supplemental request
- Harvey Hollins/Dennis Muchmore brief/invite other key stakeholders TBD
 - Select group of ministers and pastors
 - Flint Chamber
 - UM Flint
 - United Way
 - Flint Community Foundation

9:45 – 10 a.m.

- Prebriefing to walk through press conference run of show, last Qs, etc.,

10 – 10:30 a.m.

- Press conference kicks off
(SEE RUN OF SHOW/BRIEFING)

10:05 a.m.

- News release goes out; posted to web site
- Social media posts

Qs/issues

Funding positioning – Gov is “asking Legislature,” “committed to finding match”, etc.

Roles of legislators, i.e. Cong. Kildee, Sen. Ananich, Reps. Neely and Phelps

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STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

RICK SNYDER
GOVERNOR

BRIAN CALLEY
LT. GOVERNOR

CONTACTS:

Sara Wurfel or Dave Murray
Governor's Office: 517-335-6397

Brad Wurfel, 517-284-6713
Department of Environmental Quality

Jennifer Eisner, 517-230-9804
Department of Health and Human Services

FOR IMMEDIATE RELEASE

Thursday, Oct. 8, 2015

Gov. Rick Snyder: Move back to Detroit water provides best protection for public health in Flint

State, Mott Foundation and city form partnership to fund switch

FLINT, Mich. – Flint families and children will be better protected by reconnecting with the Great Lakes Water Authority as the source of the city's drinking water, Gov. Rick Snyder said.

Snyder said Thursday that he will request the state Legislature to provide half, or \$6 million, of the \$12 million needed to reconnect with the authority. The Flint city government will provide \$2 million and the Charles Stewart Mott Foundation will donate \$4 million.

"All Flint residents need clean, safe drinking water," Snyder said. "The technical experts helping the city on its water advisory all agree this move back to the Great Lakes Water Authority provides the best public health protection for children and families. This effort today is the result of people coming together to solve a problem. I appreciate Detroit's willingness to reconnect with Flint, the Mott Foundation's generous donation, and the dedication of all parties to come together to protect Flint families and children."

The Michigan Departments of Environmental Quality and Health and Human Services today also committed an additional \$3.5 million for water filters, free lead testing through the state laboratory for Flint water customers, and hiring additional staff to conduct health exposure monitoring for lead in drinking water.

Flint city leaders requested the state's help to fund the reconnection after a Wednesday meeting of Flint's Technical Advisory Committee. Flint's move to the Great Lakes Water Authority is expected to cost about \$1.3 million per month until the Karegnondi Water Authority is completed next summer.

INSERT MAYOR QUOTE HERE

The move to Detroit water, which is drawn from Lake Huron, carries many public health benefits. As large bodies of water, the Great Lakes are naturally prone to fewer problems from large rain events and other runoff issues that can be present in shallower rivers. Additionally, the Great Lakes Water Authority has already fully optimized its corrosion control, using phosphates to help coat the insides of pipes and prevent lead from leaching into the water.

However, reconnecting with the authority will not completely resolve the city's problem with lead service lines or aging infrastructure. It will take time for pipes in Flint to become coated with the phosphate corrosion control. Additionally, some households in the city could experience lead in their drinking water until all lead pipes and plumbing are replaced.

INSERT MOTT FOUNDATION QUOTE HERE

To best protect public health, Snyder said state and local authorities will continue to carry out steps outlined on Oct. 2 in a comprehensive action plan, including continued testing, the use of faucet filters and providing residents with accurate information about steps to eliminate lead exposure.

Free filters are available for current MDHHS clients at the 125 E. Union St. or 4809 Clio Road MDHHS office locations. For residents who are not currently enrolled in MDHHS assistance programs, free filters are available at the Genesee County Community Action Resource Department offices at 2727 Lippincott and 601 North Saginaw in Flint. Staff will be at all four locations from 9 a.m. to 4 p.m., Monday through Friday, to distribute filters and assist residents who have questions about proper installation. At the Lippincott location only, extended hours will be offered this weekend, including until 7 p.m. on Thursday and Friday and from 10 a.m. to 2 p.m. on Saturday.

Other good practices for residents concerned about lead include turning on the cold water tap and running the water until it's as cold as it will go. Additionally, only use cold water for cooking, drinking and especially mixing baby formula.

School test results released; more investigation planned

The state today also released the first results from its lead screening program in schools and homes. Of 37 total samples taken at 13 buildings, four samples spread over three buildings exceeded the federal action level of 15 parts per billion.

However, this sampling provides only an initial screen, and the state is committing to further testing water and inspecting plumbing at these schools. Until testing is complete, schools are advised to continue using bottled water and filtration as a precaution to protect children.

In addition, free testing is still available for any other Flint school, including daycares and Head Starts. Free testing is also available for any Flint resident.

Additional information, including more detailed lead screening results, is available at www.michigan.gov/flintwater.

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Redacted Pages 23-26



STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

October 2, 2015

RICK SNYDER
GOVERNOR

BRIAN CALLEY
LT. GOVERNOR

The Honorable Dan Kildee
U.S. House of Representatives
227 Cannon House Office Building
Washington, DC 20515

Dear Congressman Kildee:

As part of our ongoing dialogue related to the City of Flint's water, I want to make sure you are aware of the actions taken by the State of Michigan to ensure that the residents of Flint have access to safe, clean drinking water. These actions include:

1. Immediately testing Flint's public school district to ensure that drinking water is safe. Testing also will be available at no cost to any other school in Flint.
2. Expanding health exposure testing of individual residences.
3. Offering water testing at no cost to Flint residents to assure the water is safe.
4. Begin optimizing corrosion controls in the Flint drinking water system.
5. Convening a "Safe Drinking Water Technical Advisory Committee" to ensure the best technology, practices, and science are being utilized. This Committee will include an expert from the EPA's Office of Research and Development.
6. Accelerating water system improvements to address replacement of lead service lines.
7. Expediting completion of Karegnondi Water Authority.
8. Appointing Dr. Eden Wells as the Flint Drinking Water Public Health Advisor.
9. Providing water filters to residents of Flint.
10. Expanding a comprehensive lead education initiative.

While these actions will mitigate the risk of lead exposure in the immediate and long term, there are a number of federal regulatory hurdles that impede our ability to further reduce risk. As the federal representative for the City of Flint, I would appreciate your assistance on the following federal items:

1. Make federal Drinking Water Revolving Loan funds available for the replacement of private service lines.
2. Ease and/or eliminate restrictions on the purchase of bottled water for SNAP and WIC recipients. This should include a temporary, targeted increase in SNAP benefits so that the purchase of bottled water does not count against a recipients' current SNAP allocation.
3. Request that the EPA expedite promulgation of the long term revisions to the Lead and Copper Rule.

As the situation continues to evolve, I would also appreciate your assistance in the event that additional federal action is needed.

Thank you for your continued advocacy related to the City of Flint's water. I have appreciated the ongoing dialogue and am heartened to have a partner in ensuring that the residents of Flint have access to safe, clean drinking water. I look forward to continuing to work with you on this and many other issues of importance to Michiganders.

Sincerely,

Rick Snyder
Governor

DANIEL T. KILDEE
5TH DISTRICT, MICHIGAN

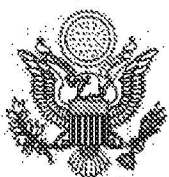
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/REP/DANKILDEE

@RepDanKildee

October 7, 2015

Governor Rick Snyder
Executive Office of the Governor
P.O. Box 30013
Lansing, Michigan 48909

Governor Snyder,

Thank you for your letter on October 2, 2015, regarding the state of Michigan's plans to respond to the crisis regarding the drinking water in Flint, Mich. I encourage you to immediately implement the action plan outlined so that Flint residents can have safe drinking water.

Moreover, you asked for my assistance in working with federal agencies to address this issue. Due to the urgent nature of this issue, I want to update you that my staff and I are working closely with Senators Stabenow and Peters and have been in communication with the appropriate agencies. I will continue to do everything I can to help address this issue at the federal level.

On September 22, 2015, I previously wrote letters to the U.S. Environmental Protection Agency, Department of Health and Human Services, Centers for Disease Control and Federal Emergency Management Agency requesting immediate assistance to provide safe drinking water to Flint.

In addition, on March 26, 2015, I sent a letter to the U.S. Environmental Protection Agency asking them to clarify if there is any statutory limitation on states to forgive the principal on loans made through the Safe Drinking Water State Revolving Fund.

Again, thank you for beginning to utilize your office's resources to help address the water quality in Flint. I look forward to working with you on the shared goal of helping the residents of Flint have safe drinking water.

Sincerely,

Dan Kildee
MEMBER OF CONGRESS

DANIEL T. KILDEE
5TH DISTRICT, MICHIGAN

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REP/DANKILDEE

@REPDKILDEE

September 22, 2015

Secretary Sylvia Matthews Burwell
U.S. Department of Health & Human Services
HHS Office of the Secretary
200 Independence Avenue, S.W.
Washington, DC 20201

Administrator William Craig Fugate
Federal Emergency Management Agency
500 C Street, S.W.
Washington, DC 20472

Administrator Gina McCarthy
Environmental Protection Agency
Office of the Administrator 1101A
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Director Tom Frieden
Centers for Disease Control and Prevention
1600 Clifton Road
Atlanta, GA 30329

Secretary Burwell, Administrator McCarthy, Administrator Fugate and Director Frieden:

Recent developments regarding the level of lead in the water in one of the communities I represent, Flint, Mich., have raised significant concerns about the safety of its drinking water. For this reason, I am requesting immediate resources to provide safe drinking water to the residents of Flint until additional testing can be completed that confirms the water is safe, particularly for young children.

Although the city of Flint and the Michigan Department of Environmental Quality have conducted tests and taken the position that the lead level in the water is safe and below the action level, there are significant questions about the efficacy of their testing. In fact, Dr. Marc Edwards of Virginia Tech University, an established drinking water expert, conducted his own tests as part of a study that determined the water in Flint was above the lead action level.

Additionally, yesterday the Greater Flint Health Coalition, a group of health professionals in the community, released a report showing elevated blood lead levels in residents in Flint, particularly in young children. In response, the Coalition has requested that the Genesee County Health Department release a health advisory indicating that the water in Flint is unsafe to drink.

Thus, I am requesting resources from your agency to provide clean drinking water to the residents of Flint until additional testing can determine when the water will be safe to drink and a long-term solution can be implemented.

This is a serious health issue, particularly for young children, and until the water is demonstrated to be safe, immediate action must be taken to ensure Flint's residents have potable drinking water.

I look forward to working with you and thank you for your immediate attention.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Kildee", with a long horizontal flourish extending to the right.

Dan Kildee
MEMBER OF CONGRESS

DANIEL T. KILDEE
5TH DISTRICT, MICHIGAN

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March 26, 2015

Ms. Gina McCarthy
Administrator, Environmental Protection Agency
1101 A
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Dear Administrator McCarthy:

My office has reached out to both the Office of Congressional and Intergovernmental Relations at the Environmental Protection Agency (EPA) and the Congressional Research Service (CRS) to determine if there are any statutory limitations on states to forgive the principal on loans made through the Safe Drinking Water State Revolving Fund (SDWSRF) program. After talking to both of these offices, there seems to be a difference in legal opinion between the two interpretations as to whether forgiveness of principal is statutorily allowed, and I am requesting further clarification.

The City of Flint, Mich., located in my district, continues to endure prolonged and severe financial stress due to the loss of thousands of manufacturing jobs, resulting in population loss and an erosion of its tax base. In an effort to improve the city's financial stability, Flint decided to end its 50-plus-year affiliation with the City of Detroit Water and Sewage Department in April of 2013. Instead, Flint would become a partner in the Karegnondi Water Authority (KWA) to bring raw water from Lake Huron to the city.

The water contract between the City of Detroit Water and Sewage Department and Flint was terminated in May of 2014. The KWA, however, will not be able to provide water to the city until its pipeline from Flint to Lake Huron is completed at the end of 2016. To fill the gap in service until the KWA is completed, Flint has turned to the Flint River as its current source for raw water. The Flint River has proven to have an inconsistent quality because of high levels of organic matter. Flint water officials have used high levels of trihalomethanes to treat the occasional elevated levels of organic matter in the water. On December 16, 2014, the Michigan Department of Environmental Quality cited the city for being in violation of water standards determined by the Safe Drinking Water Act (SDWA) due to high levels of trihalomethanes. In accordance with the SDWA, a cautionary notice about the citation was subsequently sent to residents.

Since its citation, Flint has engaged local and state leaders to find a solution for the poor quality of the water. On February 3, 2015, the state gave the city close to \$2 million to hire consultants to assess the condition and find leaks in the water infrastructure system. While this funding is a step in the right direction, it is not nearly enough to significantly improve the water quality.

This background on Flint's water situation is to point out that the SDWA is intended to improve drinking water in America's cities, such as Flint, by creating water quality standards and funding the SDWSRF to invest in water infrastructure. In addition to the high levels of trihalomethanes, the poor condition of water infrastructure in Flint, regardless of the water's source, contributes to discolored and poor tasting water. Furthermore, Flint currently suffers an over 35 percent loss ratio of water between the treatment plant and the end user. In the past, Flint has benefitted from the SDWSRF and currently has close to \$22 million in outstanding loans from it that the city has used to repair the water system. The financial stress of making payments on these loans, however, has prevented the city from making the necessary ongoing investments to its water infrastructure.

To decrease the burden of these loans, on January 18, 2015, Flint requested that the state of Michigan, as the responsible party in appropriating funds from the SDWSRF to local governments, forgive part of the principal. The state responded that forgiving the principal is not an option as the state does not have the authority to do so.

In response to the state's reply, on February 10, 2015, my staff reached out to the Office of Congressional and Intergovernmental Relations at the EPA to ask if they were aware of any statutory language that prevents principal forgiveness of loans made under the SDWSRF. On February 25, 2015, the EPA responded that they "could find ... no provision that would allow a state to [forgive an existing loan made from a Safe Drinking Water Act state revolving fund]."

On February 23, 2015, my staff also reached out to the CRS for their legal opinion on this matter. Although they could not find any precedent for doing so, the CRS did find two instances in statute that, in their opinion, allows states to forgive the principal on loans made through the SDWSRF.

First, SDWA sec. 1452(d)(1), 42 USC 300j-12(d)(1), states -- "Notwithstanding any other provision of this section, in any case in which the State makes a loan pursuant to subsection (a)(2) of this section to a disadvantaged community ... , the State may provide additional subsidization (including forgiveness of principal)."

Second, the Consolidated and Further Continuing Appropriations Act, 2015, Pub. Law 113-235, states on page 296 -- "Provided further, [t]hat not less than 20 percent but not more than 30 percent of the funds made available under this title to each State for Drinking Water State Revolving Fund capitalization grants shall be used by the State to provide additional subsidy to eligible recipients in the form of forgiveness of principal, negative interest loans, or grants (or any combination of these), and shall be so used by the State only where such funds are provided as initial financing for an eligible recipient or to buy, refinance, or restructure the debt obligations of eligible recipients only where such debt was incurred on or after the date of enactment of this Act;"

The difference in opinion between EPA and CRS has created ambiguity for the affected parties. The ability of states to forgive portions of the principal on loans made through the SDWSRF could have a significant impact on the financial state of Flint and many other distressed municipalities across the county. I would appreciate clarification from you on what, according to EPA's interpretation of the law, statutorily prevents states from forgiving the principal on loans made under the SDWSRF.

Due to critical nature of the water quality in Flint and the impact that loan forgiveness could have on improving the quality of the water, I ask for your prompt attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Kildee", with a stylized, flowing script.

Dan Kildee
MEMBER OF CONGRESS

cc:

Cathy Davis, EPA
Eileen Deamer, EPA
Robert Meltz, CRS

Redacted Pages 34-47

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Flint

RTAB Appointed: April 29, 2015

RTAB Members: Frederick Headen, Brian Larkin, David McGhee, Beverly Walker-Griffea, Robert McMahan

Recent Developments

- On August 7, 2015, a Genesee Circuit Court lawsuit, Shears v. Flint, invalidated a previous 35% increase in water and sewer rates, reverting back to 2011 rates. This injunction also requires the city to repay \$15.7M from the General Fund to the Water Fund, prevents the city from collecting certain past due water bills, and from disconnecting water service for nonpayment. The City has estimated that this injunction could potentially cost the General Fund \$50M. Thus far, the city's appellate efforts have not been successful. Most recently, Judge Archie Hayman certified Shears v. Flint as a class action.
- As a result of Shears v. Flint decision which required the city to roll back water rates by 35%, the Finance Director on October 1, 2015 estimated that revenue has decreased by \$666K per month and projects a loss of \$6.6M for the remainder of the fiscal year. In addition for the period of August 10, 2015 thru September 2, 2015, the city has realized \$1.75M less in cash receipts as the same period last year due to a decrease in payment activity.
- Separate litigation was held that Emergency Manager Mike Brown had no statutory authority to later ratify water and sewer rate increases from May of 2012. The city filed an appeal to the Michigan Supreme Court, but the court did not address the appeal because the city missed the filing deadline by one day. The case has been remanded back to Genesee County Circuit Court to resolve some outstanding matters. Treasury is discussing the need for additional legal representation with the city.

- Concerns have been raised about the amount of lead in the city's water system after a study by Virginia Tech University suggests that the amount is much higher than standard testing shows. The city is in compliance with state and federal lead standards but will be adding a corrosion inhibitor into the treatment process to reduce the amount of lead leaching into the system. The city is also providing free and independent water quality testing to residents. Treasury is monitoring this issue closely.
- Mayor Walling has issued a letter to the State requesting \$20M in funds to assist the city in making needed capital improvements to its water system plus another \$10M to address the issue of lead leaching into the system.
- On September 11, 2015, Genesee County Circuit Court dismissed a case (*Coalition for Clean Water v City of Flint*) to force the city to purchase water from the City of Detroit.
- The RTAB approved ballot language for the renewal of the Regional Flint Mass Transportation Authority millage. The proposed renewal is for five years at the current 0.6 mills per year and will appear on the November 2015 ballot.
- The Economic and Community Development Director resigned in August 2015. Current staffing vacancies also include the Treasurer and the Human Resources Director.
- As a result of a recent review, the State Tax Commission notified the city it must maintain adequate assessment records in compliance with statutes and State Tax Commission Rules, and must implement any corrective actions necessary. In addition, the city shall implement a full reassessment within a time frame agreed upon with the State Tax Commission. The city has issued an RFP and is reviewing the proposals.
- The city has been informed they no longer need to inform residents that it is in violation of the Clean Water Standards Act. Results from the first monthly test, since the installation of the granulated active-charcoal filter, showed that the city is in compliance with the federal Drinking Water Act. The city hired Echologics at a cost of \$895,850 to perform a leak detection study. This project commenced in August 2015 and is approximately 1/3 complete.

Significant Actions/Issues

- Genesee County 911 assumed dispatch responsibilities for city police and fire on August 17, 2015. This merger was approved in 2014 and is expected to save the city \$1M per year.
- On August 12, 2015, the RTAB approved a transfer of \$323K from the Fire Department to the Police Department to hire five additional patrol officers. The city has initiated a hiring process.
- The KWA pipeline is expected to be completed in June 2016. The two pump stations are approximately 75% complete and the intake is completed.
- The city is implementing Veolia recommended improvements to its water system, including water plant improvements, distribution system improvements, new policies and procedures, and better communication with customers. The city installed a \$1.5M granulated active-charcoal filter to improve water quality. All twelve filters are installed and are in use.
- If the city loses a lawsuit over retiree healthcare, the EM's two-year budget does not assume an additional \$5M to \$6M annual expense.

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RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB) - MUNICIPALITIES

Unit of Government	Board Members	Appointment Date	Target Exit Date	Notes
Redacted				
City of Flint	Frederick Headen, Brian Larkin, David McGhee, Beverly Walker-Griffiea, Robert McMahan	April 29, 2015	NA	<ul style="list-style-type: none">* As a result of lawsuit decision, city estimates that revenue will decrease by \$666K per month and projects a lost \$6.6M for remainder of the fiscal year. The injunction requires city to repay \$15.7M from the General Fund to the Water Fund.* KWA pipeline expected to be completed in June 2016.

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Redacted Pages 55-65

From: Bedan, Morgan (GOV)
Sent: Monday, October 26, 2015 4:00 PM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Agen, Jarrod (GOV); Emmitt, Beth (GOV); Bedan, Morgan (GOV); Utley, Corey (GOV); Dickinson, Sarah (GOV)
Subject: October 27 Daily Briefing
Attachments: 151027 Daily Briefing.pdf

Governor,

Attached is your Daily Briefing for October 27. The briefing contains:

Redacted

For Review

- Flint Water – Pages 42 – 49
 - Updated Action Steps
 - Updated Action Plan
 - MDHHS Update

Redacted

Please let us know if you have any questions.

Thank you,
Morgan

Governor Rick Snyder
October 27, 2015
Daily Briefing

Contents	Pages
<div>Redacted</div>	
For Review	
<div>Flint Water</div> <div>1. Updated Action Steps – Page 42</div> <div>2. Updated Action Plan – Page 46</div> <div>3. MDHHS Update – Page 48</div>	42 – 49
<div>Redacted</div>	

Redacted Pages 2-41

City of Flint Water Action Steps for Week of October 19-23

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
1.	Update 2004 letter to EPA	DEQ	Dana DeBruyn	This Action Step has been incorporated as part of the After Action Plan (Action Step #4)
2.	Schedule Flint Water Treatment Plant tour	DEQ and Flint	George Krisztian	Scheduled for 10/23/15 at 11:30 a.m.
3.	Figure out number of samples from schools and child care facilities	DEQ	Jim Sygo Pat Cook Steve Busch	1,300 samples (13 schools and 100 samples per school)
4.	Conduct After Action Plan	DEQ	George Krisztian	Initial meeting held 10/22/15
5.	Introduce legislative changes to Part 54 of NREPA – Drinking Water Revolving Loan Fund	DEQ, Treasury, and EPA	Maggie Pallone George Krisztian Sonya Butler	Draft language submitted to Maggie Pallone for review
6.	After Action Review Panel	DEQ	Madhu Anderson George Krisztian Karen Tommasulo	Panel created and press release issued on 10/21/15
7.	Staff hiring plan	DEQ	Jim Sygo Maggie Pallone George Krisztian	
8.	\$1 million for DEQ Laboratory billing code	DEQ	Maggie Pallone George Krisztian	Billing codes created on 10/21/15
9.	Finalize fiscal year 2017 budget request	DEQ	Maggie Pallone George Krisztian	

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
10.	Develop letter to schools	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	This Action Step has been incorporated into Action Step #13
11.	Finalize sampling protocol	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	Sampling protocol was revised to include comments by EPA
12.	Confirm school sampling logistics	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	Logistics have been finalized for the initial sampling scheduled for 10/24/15
13.	Meeting(s) with school staff/management	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	A meeting with the 10 remaining schools is tentatively scheduled for the week of 10/26/15
14.	Meet with DHHS and discuss all lead education material for schools	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	DEQ has contacted DHHS to schedule a meeting
15.	ODWMA staff observe a DLARA plumbing assessment	DEQ and DLARA	Steve Busch Pat Cook Mike Prysby	DEQ staff observed the DLARA plumbing assessment of Freeman Elementary School on 10/23/15
16.	Develop sample form and chain of custody document	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	DEQ Laboratory has created a fillable PDF form for use in the school sampling protocol

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
17.	Review corrosion control treatment plan and get any EPA comments	DEQ and EPA	Jim Sygo Steve Busch Pat Cook Mike Prysby	Summary of Flint's corrosion control plan submitted to EPA
18.	Review construction permit application and issue construction permit for phosphate equipment	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	Additional discussions are in progress with city of Flint
19.	Review Standby Operation of Flint Water Treatment Plant with city of Flint	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	Comments by DEQ to city of Flint have been provided
20.	Provide city of Flint updated monitoring schedule based on Detroit Water and Sewerage Department (DWSD)/Great Lakes Water Authority (GLWA) service	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	Updated monitoring schedule has been completed and signed
21.	Contact city of Flint and Genesee County Health Department daily for DWSD connection status updates	DEQ, Flint, and Genesee County Health Department	Jim Sygo Steve Busch Pat Cook Mike Prysby	Switch to DWSD completed on 10/16/15; city of Flint will let DEQ know if they run into any unforeseen issues
22.	Work with Karegnondi Water Authority (KWA) and other agencies to address bottleneck issues	DEQ and KWA	Jim Sygo Steve Busch Pat Cook Mike Prysby	Issues regarding soil erosion controls during construction are being addressed
23.	Verify city of Flint distribution operations under DWSD/GLWA service	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	The switch back to Detroit water has been smooth so far

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
24.	Contact city of Flint for Service Line Record status update and obtain a copy of the records to date	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	
25.	Provide DHHS with any available cross-reference information	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	
26.	Develop childcare facility guidance or review DHHS related materials	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	DEQ has contacted DHHS to schedule a meeting

Flint Drinking Water Action Plan Update

FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGE

- The sampling protocol was revised to address comments received on October 22 from EPA's Flint Safe Drinking Water Task Force.
- Staff assisted DLARA in conducting a plumbing assessment at Freeman Elementary School. Actions were taken to prepare for sampling to be conducted on Saturday, October 24.
- The information requested by the DEQ was not received on October 23 from Flint's consultant, Lockwood, Andrews & Newnam, Inc. (LAN); thus, the construction permit for phosphate equipment was not issued. DEQ staff discussed with Flint Water Treatment Plant operator Brent Wright and Utilities Superintendent Michael Glasgow. Brent confirmed that he needs to provide some of the information regarding the phosphate product to LAN.
- DEQ staff discussed with Michael Glasgow and Brent Wright the need for quarterly test runs and monthly operation reporting details while the Flint Water Treatment Plant is in standby mode. Also included the need to report phosphate dosages and phosphate residuals (plant tap and distribution) in the monthly operation report.
- John O'Brien (Genesee County Drain Commissioner's office) contacted DEQ staff in response to our October 22 e-mail. The Lapeer County Road Commission (LCRC) has placed a stop work order on Contract S-4005; however, the Genesee County Drain Commissioner's office contends that the LCRC has no authority to issue a stop work order; thus, work is continuing. DEQ stressed the importance to John of the need to keep the project moving forward and to confirm that the contractor is following proper soil erosion measures and other local guidelines that may apply.
- Based on a discussion with Michael Glasgow and Brent Wright, there have not been major distribution system issues or upsets since the switch back to Detroit Water and Sewerage Department. Utility operators were flushing and winterizing hydrants this week and flushing from the Flint Water Treatment Plant to the outside reaches of the distribution system. Phosphate residuals are also being measured twice per week at Flint's bacteria monitoring sites.

Additional Actions:

- Representatives from DEQ, DLARA, and DHHS met on October 23 with Mayor Dayne Walling and Howard Croft from the city of Flint for the weekly update. Each group gave an overview of actions that were taken over the course of the week. The DEQ discussed sample results from homeowners since the offer to

FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGE

Flint Drinking Water Action Plan Update

Page 2

provide free lead and copper testing was made. The DEQ also discussed the school sampling protocol that was developed and would be used on Saturday, October 24, at Freeman Elementary School. DLARA discussed the plumbing assessment of Freeman Elementary School that was being conducted on Friday, October 23. DHHS gave an update on the prioritization schema for blood lead screening that was being conducted for Flint residents, with the highest priority going to individuals with the highest risk, including young children and infants.

- After the weekly coordination meeting, the city of Flint gave a tour of the Flint Water Treatment Plant to coordination committee members from the DEQ, DLARA, and DHHS. The tour provided a complete picture of the treatment process for both sources of water that could potentially be used, including water from the Flint River and treated water coming from Detroit. There was also discussion on how water from the Karegnondi Water Authority would be distributed, along with discussion of the supplemental addition of corrosion control agents.
- On Saturday, October 24, representatives of DEQ and DLARA conducted the first sampling event of Flint schools at Freeman Elementary School. Media from several news agencies were present to cover the initial sampling event and conducted interviews with Karen Tommasulo and footage was taken of the sampling process. The sampling team consisted of seven members, and it took a little over three hours to conduct the entire sampling event. There was a small group of protesters outside of the school who stayed there for approximately an hour and a half, after which they peacefully disbursed.

After the sampling event, the samples were driven to the DEQ Laboratory and logged into the computer system. The Laboratory's Inorganics Unit Supervisor was contacted and made aware of the status of the samples. The samples were then prepped on Sunday, October 25, and are scheduled for analysis on Monday, October 26.

Links for media coverage of the sampling event are below:

<http://www.abc12.com/home/headlines/State-begins-extensive-testing-of-water-plumbing-inside-Flint-Community-Schools-336669641.html?device=phone&c=y>

<http://nbc25news.com/news/local/mdeg-tests-lead-levels-at-flint-schools>

Prepared by: George Krisztian, Flint Action Plan Coordinator
Laboratory Director
Department of Environmental Quality
Telephone: 517-284-6719
Cell: [REDACTED]
October 26, 2015

Flint Water Public Health Response: MDHHS Action Plan Daily Summary

10-22-15

ACTION PLAN: FILTER/FILTER REPLACEMENTS	STATUS
<p>Filter Distribution</p> <ul style="list-style-type: none"> Residents may continue to obtain filters from GCCARD (both sites 9-4PM) and MDHHS clients can continue to obtain filters at the two MDHHS office locations or the GCCARD sites. GCCARD working with UAW plumbers to provide home installs for vulnerable population including homebound, seniors, and dialysis. (Providing \$20,000 in kind support). 147 installs completed as of 10-21-2015. 	<p>No action indicated, informational only.</p>
<p>Filter Replacement Distribution</p> <ul style="list-style-type: none"> The procedure is in place for replacement cartridge distribution including an abbreviated application for residents to apply for and obtain cartridge replacement. Cartridge replacement will occur at same locations as filter sites. 	<p>ACTION: It is understood that MDHHS has obtained all available replacement cartridges from nationwide supply. Kris S will check with Chris Sanches (DHHS) to determine/verify availability of additional cartridges for purchase if needed. Estimated completion date: 10-23-15</p>
<p>NEW ISSUE: Public Education Proper Filter Use</p> <ul style="list-style-type: none"> When used improperly, the filters will exceed their capacity limit in a much shorter time frame thereby increasing need for filter replacement much sooner than expected. 	<p>ACTION: Jen Eisner will work with Hilda McShane to develop NEW public education material about proper use of cartridge AND how to obtain filter replacement cartridges, targeted for release week of October 26 during lead awareness week. This should be included with all filter replacement cartridges. Estimated Completion date: 10-26-15</p>
ACTION PLAN: LEAD TESTING IN CHILDREN/HIGH RISK GROUPS	STATUS
<p>Testing Protocol: Draft protocol has been completed, undergoing final review. Protocol calls for testing: Priority groups-</p> <ul style="list-style-type: none"> Confirmatory venous testing for children who had venous testing (115 children) Children in day care, Head Start children attending 3 schools (Freeman, Eisenhower, Brownell) Children residing in high risk zip codes (03, 04) All other students <p>Children/parents usual source of primary care. If no usual source of primary care, can obtain testing at GCHD. Mass</p>	<p>ACTION: Finalize testing protocol by 10-23-15 (Wells/Peeler) ACTION: Share all materials with Medicaid (Wells/Peeler) ACTION: Contact MDE regarding sharing student list (Hertel) ACTION: Wells/Valacak will schedule a meeting with the Flint Schools superintendent to discuss parent education/lead testing (Friday, October 23) ACTION: The list of kids with elevated blood levels will be cross referenced to see if their household has a filter. (Peeler/Scott)</p>

<p>testing in school setting NOT recommended.</p> <p>Would like to obtain the student list from the three schools and cross reference with our lead testing data to determine children tested/not tested</p>	
<p>Parent education materials have been completed. GCHD has ability to work with their Head Start and Early head start programs to disseminate parent information</p>	<p>ACTION: Call with Flint school superintendent, GCHD, and MDHHS scheduled 10-24-15 to discuss dissemination process. Will also contact Kyle Guerrant(MDE). (Hertel) Estimated Completion date: 10-23-15</p>
<p>Provider educational material completed. Communication to providers will occur through GCHD and MDHHS networks (GCMS, GCARD, hospitals, etc)</p>	<p>ACTION: Need to coordinate with GCHD. Estimated completion date: TBD (Wells/Peeler)</p>
<p>Community public education and testing event: Working with GCHD to coordinate public testing and awareness events with health care providers and health plans in the Flint area.</p>	<p>ACTION: McLaren Health Plan in conjunction with GCHD hosting a public testing and awareness event on November 5 at the Burton GCHD site. McLaren will have providers on site to perform testing for their members; GCHD onsite to perform testing for all others. Event will also include Medicaid application assistance. ACTION: Tony Larocco (GCHD) has contacted Molina, Molina Health interested in sponsoring a similar community testing and awareness event. Estimated completion date: confirm Molina date by 10-30-15 (LaRocco-GCHD)</p>
ACTION PLAN: ENVIRONMENTAL INVESTIGATION	
<p>Wes Priem (MDHSS) developed a data collection document that will be in the testing protocol. The document collects additional information that will help expedite the environmental investigation process.</p>	<p>No action indicated, informational only</p>
ACTION PLAN: FUNDING	
<p>10-21-15 Funding for case management nurses will be disseminated to GCHD through new project: <i>Flint Water</i>, for \$425,000 through the Comprehensive Contract Egrams system, to fund the: Follow-up of Children Reported with Elevated Lead Levels: Case Management Services. GCHD advised to secure approvals for use of these funds and begin procedures to place staff in appropriate positions to conduct the work.</p>	<p>No action indicated, informational only</p>

Redacted Pages 50-61

From: Bedan, Morgan (GOV)
Sent: Wednesday, October 28, 2015 4:13 PM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Agen, Jarrod (GOV); Emmitt, Beth (GOV); Bedan, Morgan (GOV); Dickinson, Sarah (GOV); Utley, Corey (GOV)
Subject: October 29 Daily Briefing
Attachments: [REDACTED]
[REDACTED] 151029 Daily Briefing.pdf

Governor,

Attached is your Daily Briefing for October 29. The briefing contains

- October 29th Calendar – Pages 2 – 6

Redacted

For Review

- Flint Water – Pages 37 – 40
 - Updated Action Steps
 - Updated Action Plan

Redacted

Please let us know if you have any questions.

Thank you,

Morgan

Attachment Redacted as Irrelevant

Attachment Redacted as Irrelevant

Attachment Redacted as Irrelevant

Governor Rick Snyder
October 29, 2015
Daily Briefing

Contents

Pages

Redacted

For Review

Flint Water

1. Updated Action Steps – Page
2. Updated Action Plan – Page 40

37 – 40

Redacted

Redacted Pages 2-36

City of Flint Water Action Steps for Week of October 26-30

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
1.	Conduct After Action Plan	DEQ	George Krisztian	Initial meeting held 10/22/15
2.	Introduce legislative changes to Part 54 of NREPA – Drinking Water Revolving Loan Fund	DEQ, Treasury, and EPA	Maggie Pallone George Krisztian Sonya Butler	Draft language submitted to Maggie Pallone for review
3.	After Action Review Panel	DEQ	Madhu Anderson George Krisztian Karen Tommasulo	Panel created and press release issued on 10/21/15
4.	Staff hiring plan	DEQ	Jim Sygo Maggie Pallone George Krisztian	
5.	Finalize fiscal year 2017 budget request	DEQ	Maggie Pallone George Krisztian	
6.	Meeting(s) with school staff/management	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	A meeting with the 10 remaining schools is tentatively scheduled for the week of 10/26/15
7.	Meet with DHHS and discuss all lead education material for schools	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	Meeting held on 10/27/15; action items created
8.	Review corrosion control treatment plan and get any EPA comments	DEQ and EPA	Jim Sygo Steve Busch Pat Cook Mike Prysby	Summary of Flint's corrosion control plan submitted to EPA

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
9.	Review construction permit application and issue construction permit for phosphate equipment	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	Additional items provided; still need 2 more items
10.	Review Standby Operation of Flint Water Treatment Plant with city of Flint	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	Comments by DEQ to city of Flint have been provided
11.	Work with Karegnondi Water Authority (KWA) and other agencies to address bottleneck issues; check weekly for status update	DEQ and KWA	Jim Sygo Steve Busch Pat Cook Mike Prysby	Issues regarding soil erosion controls during construction are being addressed
12.	Contact city of Flint for Service Line Record status update and obtain a copy of the records to date	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	Cross-referencing process has begun
13.	Provide DHHS with any available cross-reference information	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	
14.	Develop childcare facility guidance or review DHHS-related materials	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	Meeting held on 10/27/15; DHHS to provide materials
15.	Create a generic school sampling guidance document for statewide distribution; target audience: schools served by municipal water	DEQ and DLARA	Jim Sygo Steve Busch Richard Benzie	

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
16.	Confirm plumbing assessment and sampling is scheduled for Brownell K-2 STEM Academy and Eisenhower Elementary School	DEQ and DLARA	Jim Sygo Steve Busch Mike Prysby	Tentatively scheduled for 10/30/15

Flint Drinking Water Action Plan Update

FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGE

- DEQ staff met with DHHS staff on October 27 to discuss all lead education material for schools, and action items were created.
- On October 27 DEQ's Lansing District Office received updated dosage, pump specifications, and cut-sheets for phosphate product. A quick glance at the submittal shows most of the requested information has been provided, except for the NSF Standard 60 certification and the maximum dose. Staff will cross-reference the NSF Web site to verify proper certification and maximum dose. If acceptable, DEQ staff will proceed with issuance of the Act 399 permit. Otherwise, the city of Flint's consultant will need to provide the DEQ with the NSF Standard 60 certification and maximum dose information.
- DEQ staff has cross-referenced 46 of the 326 historical lead and copper monitoring sampling sites with the 10,895 service line index card information records available to date.
- DEQ staff met with DHHS staff to review and further develop childcare facility guidance and incorporate drinking water exposure information. Guidance is being provided by DHHS specific to the Genesee County emergency order, and separate guidance for statewide use will also be developed.

Additional Actions:

- Preliminary follow-up review of sampling event at Freeman Elementary School: DEQ and DLARA staff met and reviewed outlet/tap materials to correlate with sample results. DEQ staff contacted Jim Henry, Genesee County Health Department, to confirm the location of screening samples. The draft write-up is to be completed by DEQ staff on October 28.
- The weekly meeting between DEQ, DLARA, and DHHS was held. Discussion topics included a review of the results for Freeman Elementary School, along with a discussion of what the results meant and how the data would be presented to the Flint Community Schools Superintendent so that the information could be used to create an action plan for the school. Discussion also included working out the logistics for conducting the plumbing evaluation and subsequent sampling for the other two elementary schools that had results above the action level during the initial screen of 13 schools. Plans are in process to conduct these two plumbing evaluations on Friday, October 30, with the sampling to take place on Saturday, October 31.

Prepared by: George Krisztian, Flint Action Plan Coordinator
Laboratory Director
Department of Environmental Quality
Telephone: 517-284-6719

October 28, 2015

Redacted Pages 41-89

Attachment Redacted as Irrelevant

From: Bedan, Morgan (GOV)
Sent: Monday, November 02, 2015 4:31 PM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Agen, Jarrod (GOV); Emmitt, Beth (GOV); Bedan, Morgan (GOV); Utley, Corey (GOV); Dickinson, Sarah (GOV)
Subject: November 3 Daily Briefing and Bill Packet
Attachments: [REDACTED] 151103 Daily Briefing.pdf

Governor,

Attached is your Daily Briefing and Bill Packet for November 3. The briefing contains:

Redacted

For Review

- Flint Water Update – Pages 16 – 19

Please let us know if you have any questions.

Thank you,
Morgan

Attachment Redacted as Irrelevant

Governor Rick Snyder
November 3, 2015
Daily Briefing

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For Review	
Flint Water Update	16 – 19

Redacted Pages 2-15

City of Flint Water Action Steps for Week of October 26-30

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
1.	Conduct After Action Plan	DEQ	George Krisztian	Meeting held on 10/29/15 to discuss time line
2.	Introduce legislative changes to Part 54 of NREPA – Drinking Water Revolving Loan Fund	DEQ, Treasury, and EPA	Maggie Pallone George Krisztian Sonya Butler	Draft language submitted to Maggie Pallone for review
3.	After Action Review Panel	DEQ	Madhu Anderson George Krisztian Karen Tommasulo	Panel created and press release issued on 10/21/15
4.	Staff hiring plan	DEQ	Jim Sygo Maggie Pallone George Krisztian	Negotiations underway to contract with the Genesee County Health Department
5.	Finalize fiscal year 2017 budget request	DEQ	Maggie Pallone George Krisztian	
6.	Meeting(s) with school staff/management	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	A summary report for Freeman Elementary School has been drafted
7.	Meet with DHHS and discuss all lead education material for schools	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	Meeting held on 10/27/15; action items created
8.	Review corrosion control treatment plan and get any EPA comments	DEQ and EPA	Jim Sygo Steve Busch Pat Cook Mike Prysby	EPA's comments were addressed, and a letter was e-mailed to the city of Flint on 10/30/15

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
9.	Review construction permit application and issue construction permit for phosphate equipment	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	Act 399 permit issued 10/28/15
10.	Review Standby Operation of Flint Water Treatment Plant with city of Flint	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	Comments by DEQ to city of Flint have been provided
11.	Work with Karegnondi Water Authority (KWA) and other agencies to address bottleneck issues; check weekly for status update	DEQ and KWA	Jim Sygo Steve Busch Pat Cook Mike Prysby	Issues regarding soil erosion controls during construction are being addressed
12.	Contact city of Flint for Service Line Record status update and obtain a copy of the records to date	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	Cross-referencing process has begun
13.	Provide DHHS with any available cross-reference information	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	
14.	Develop childcare facility guidance or review DHHS-related materials	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	Meeting held on 10/27/15; DHHS to provide materials
15.	Create a generic school sampling guidance document for statewide distribution; target audience: schools served by municipal water	DEQ and DLARA	Jim Sygo Steve Busch Richard Benzie	Final draft of school sampling protocol has been written and is awaiting final review

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
16.	Confirm plumbing assessment and sampling is scheduled for Brownell K-2 STEM Academy and Eisenhower Elementary School	DEQ and DLARA	Jim Sygo Steve Busch Mike Prysby	Assessments confirmed and complete

Flint Drinking Water Action Plan Update

FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGE

- Comments on the corrosion control treatment plan received late in the day on October 30 from EPA were addressed, and the letter to the city of Flint regarding operational and monitoring conditions related to corrosion control was finalized. A PDF of the letter was e-mailed on October 30 to the city of Flint *et al.*
- Staff from DLARA and DEQ conducted plumbing assessments at both Brownell and Eisenhower Elementary Schools on October 30. Sampling taps were identified and labeled. Based on the plumbing assessment, a sampling sequence was recommended for each school.

Additional Actions:

- DEQ Flint Action Plan Coordinator George Krisztian and DEQ Public Information Officer Karen Tommasulo met with representatives of DLARA, DHHS, and city of Flint officials, including Mayor Dayne Walling, to discuss progress made since the last meeting and to discuss actions to come in the week of November 2. Topics included the issuance of a construction permit that would enable the city of Flint to provide supplemental phosphate addition to the water coming from Detroit. A high level summary regarding the progress of the testing for lead in drinking water in the Flint schools was provided with a subsequent discussion by the group as a whole. Mayor Walling inquired as to how remediation of the schools would be funded, and he was informed that funding was outside the purview of the initial assessment.
- Staff from DEQ and DLARA conducted water sampling at Brownell K-2 STEM Academy and Eisenhower Elementary School on Saturday, October 31. In addition, staff went back to Freeman Elementary School to pull sequential samples as per comments from EPA regarding DEQ's sampling protocol. The sequential samples were also taken at Brownell and Eisenhower. Complete sampling protocols have now been conducted at three Flint schools. There were a total of 374 samples taken at the three schools on October 31.
- As provided by DHHS, the purchased total water filter/pitcher distribution for the period of October 6 through October 29 is 9,880 units.

Prepared by: George Krisztian, Flint Action Plan Coordinator
Laboratory Director
Department of Environmental Quality
Telephone: 517-284-6719
Cell: [REDACTED]
November 2, 2015

Message

From: Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=BEDAN MORGAN683]
Sent: 12/8/2015 10:07:34 PM
To: Snyder, Rick (GOV) [REDACTED]
CC: Scott, Allison (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Scotta12]; Muchmore, Dennis (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Muchmored]; Clement, Elizabeth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Clemente]; Agen, Jarrod (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Agen Jarrod9ea]; Emmitt, Beth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Emmittb]; Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bedan Morgan683]; Utley, Corey (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=UtlleyC]; Dickinson, Sarah (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Dickinson Sarah4ab]
Subject: December 9 Daily Briefing
Attachments: 151209 Daily Briefing.pdf

Governor,

Attached is your Daily Briefing for December 9. The briefing contains:

Redacted

For Review

Redacted

- Year End Updates for Interviews – Pages 51 – 58

Redacted

- Flint Water

Redacted

Please let us know if you have any questions.

Thank you,

Morgan

Governor Rick Snyder

December 9, 2015

Daily Briefing

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<p>Redacted</p>	
2. Flint Water – Page 54	51 – 58
<p>Redacted</p>	

*No changes from info sent in 151208 Daily Briefing

Redacted pages 2-53; 56-59

Flint Fast Facts for WFNT interview

From: Comms – Jess Brown
DEQ – Brad Wurfel
DHHS – Jennifer Smith
Date: December 8, 2015

1. How many people have been tested since Oct. 1 Flint Water Action Plan was implemented?

- Total of 1,836 tested, 39 elevated results
 - Children 0 – 5: 806 tested
 - Children 6 – 17: 525 tested
 - Adults: 505 tested

2. What are the most recent recommendations to protect your family from lead exposure?

- Protecting your family from lead in the water:
 - Get your water tested for lead. It's free. Call (810) 787-6537 to learn more.
 - Use a water filter in your home. MDHHS continues to provide free water filters and replacement cartridges to Flint residents at four locations, including the MDHHS Flint offices and the Genesee County Community Action Resource Department.
 - Run only cold water through the filter.
 - If you do not have a water filter, use bottled water for drinking and mixing formula.
 - Use filtered or bottled water for drinking (including making coffee, drink mixes, juice, baby formula), and cooking (even if you boil the water, the lead will stay in the water and food).
 - If you have to use unfiltered water for drinking or cooking, run the tap for five minutes before using the water
- Testing children:
 - Children who live in the city of Flint should be tested for lead exposure. This should be done as soon as possible.
 - The best place to get your child's blood lead test is your doctor's office. Contact your primary care provider.
 - Children can also get a free lead test at the Genesee County Health Department. For help with transportation, call 2-1-1.
- Safe cleaning:
 - Safe cleaning is important. Keeping your home clean and safe from lead hazards will help to protect your family.
 - Buildings built before 1978 could have lead paint in them. Use wet paper towels to clean up paint chips and dust in these older buildings. Be sure to clean around windows, play areas, and floors.
 - Wash hands and toys often with soap and water.
 - You can use unfiltered tap water to wipe down countertops, mop floors, and wash clothes

The DEQ continues implementing the Governor's 10-point action plan to protect kids and families in Flint:

1. SCHOOLS TESTING

- The Governor's plan commits that DEQ will test water in every Flint school. To date, 8 schools in Flint have undergone a thorough inspection of their plumbing. Crews from the state are completing one to two schools each weekend.
- The story has been the same in each school inspected: lead exposure has been limited to old drinking fountains and faucets that should have been changed out years ago. When these fixtures are run for a couple minutes, lead presence drops to safe levels. If / when these fixtures are removed, it will address the lead exposure in schools.
- DEQ has not identified lead in the deeper plumbing of the schools. That's great news. It means fixing the issue will be comparatively inexpensive and quick.

2. COMMUNITY WATER TESTING

- Since September, more than 500 residents have taken advantage of free home water sampling through the DEQ lab. Results are updated regularly on the DEQ web site, www.michigan.gov/FLINTWATER.
- Residents are encouraged to continue taking advantage of this free service, but also are encouraged to get kids tested for blood lead levels.

3. LEAD SERVICE LINE REPLACEMENT

- The only way to remove the threat of lead exposure in drinking water is to remove sources like old faucets and lead service lines. The DEQ is working with the city to develop a long-term plan for removing the service lines. This is complicated because the service line is the portion that runs from the city system to the residence. It's the part that is mostly on private property and is generally considered the customer's responsibility.
- DEQ worked with Congressman Kildee to get EPA approval to use Revolving Loan Fund dollars to accomplish lead service line replacement.

OTHER VARIOUS ISSUES:

- Cong. Kildee has renewed calls for loan forgiveness in Flint. The city owes the state approximately \$20.8 million for past loans, and they're scheduled to be paid off in 2024. DEQ cannot forgive old loans; we can, however, build loan forgiveness into new loans. Forgiveness is presently capped at 30 percent on new loans.
- City has called on DEQ to pay for fixes to the broader water distribution system on the idea that running river water through the system for 14 months ruined it. That's an unproven statement. The system has been in a serious state of disrepair for many years. We have not addressed this issue in the media. We are focused on the Governor's plan.
- Lawmakers have called for the state to create a fund to provide wraparound services for the (Kildee says 7,000) kids exposed to Flint water situation. Don't know where the 7,000 number came from. DHHS has numbers of kids who actually have elevated blood lead levels. Again, not an issue we've addressed or plan to.

Redacted pages 56-59

From: Bedan, Morgan (GOV)
Sent: Friday, December 11, 2015 3:46 PM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Agen, Jarrod (GOV); Emmitt, Beth (GOV); Bedan, Morgan (GOV); Utley, Corey (GOV); Dickinson, Sarah (GOV)
Subject: December 11 Weekend Briefing
Attachments: [REDACTED]; 151211 Weekend Briefing.pdf

Governor,

Attached is your Weekend Briefing for December 11 and [REDACTED]. The briefing contains:

Redacted

Meetings

- Updates for Year-End Media – Pages 28 – 42

Redacted

○ Flint

Redacted

Please let us know if you have any questions.

Thank you,
Morgan

Attachment Redacted as Irrelevant

Attachment Redacted as Irrelevant

Governor Rick Snyder

December 11, 2015

Weekend Briefing

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6. Flint – Page 41	
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Note: Updated/additional documents highlighted

Overnights in AA: 12/14 – 17

Overnights in GL: 12/18 - ?

Redacted Pages 2-40

Flint Facts

1. How many people have been tested since Oct. 1 Flint Water Action Plan was implemented?

- Total of 1,836 tested, 39 elevated results
 - Children 0 – 5: 806 tested
 - Children 6 – 17: 525 tested
 - Adults: 505 tested

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- Protecting your family from lead in the water:
 - Get your water tested for lead. It's free. Call (810) 787-6537 to learn more.
 - Use a water filter in your home. MDHHS continues to provide free water filters and replacement cartridges to Flint residents at four locations, including the MDHHS Flint offices and the Genesee County Community Action Resource Department.
 - Run only cold water through the filter.
 - If you do not have a water filter, use bottled water for drinking and mixing formula.
 - Use filtered or bottled water for drinking (including making coffee, drink mixes, juice, baby formula), and cooking (even if you boil the water, the lead will stay in the water and food).
 - If you have to use unfiltered water for drinking or cooking, run the tap for five minutes before using the water
- Testing children:
 - Children who live in the city of Flint should be tested for lead exposure. This should be done as soon as possible.
 - The best place to get your child's blood lead test is your doctor's office. Contact your primary care provider.
 - Children can also get a free lead test at the Genesee County Health Department. For help with transportation, call 2-1-1.
- Safe cleaning:
 - Safe cleaning is important. Keeping your home clean and safe from lead hazards will help to protect your family.
 - Buildings built before 1978 could have lead paint in them. Use wet paper towels to clean up paint chips and dust in these older buildings. Be sure to clean around windows, play areas, and floors.
 - Wash hands and toys often with soap and water.
 - You can use unfiltered tap water to wipe down countertops, mop floors, and wash clothes

The DEQ continues implementing the Governor's 10-point action plan to protect kids and families in Flint:

1. SCHOOLS TESTING

- The Governor's plan commits that DEQ will test water in every Flint school. To date, 8 schools in Flint have undergone a thorough inspection of their plumbing. Crews from the state are completing one to two schools each weekend.
- The story has been the same in each school inspected: lead exposure has been limited to old drinking fountains and faucets that should have been changed out years ago. When these fixtures are run for a couple minutes, lead presence drops to safe levels. If / when these fixtures are removed, it will address the lead exposure in schools.
- DEQ has not identified lead in the deeper plumbing of the schools. That's great news. It means fixing the issue will be comparatively inexpensive and quick.

2. COMMUNITY WATER TESTING

- Since September, more than 500 residents have taken advantage of free home water sampling through the DEQ lab. Results are updated regularly on the DEQ web site, www.michigan.gov/FLINTWATER.
- Residents are encouraged to continue taking advantage of this free service, but also are encouraged to get kids tested for blood lead levels.

3. LEAD SERVICE LINE REPLACEMENT

- The only way to remove the threat of lead exposure in drinking water is to remove sources like old faucets and lead service lines. The DEQ is working with the city to develop a long-term plan for removing the service lines. This is complicated because the service line is the portion that runs from the city system to the residence. It's the part that is mostly on private property and is generally considered the customer's responsibility.
- DEQ worked with Congressman Kildee to get EPA approval to use Revolving Loan Fund dollars to accomplish lead service line replacement.

OTHER VARIOUS ISSUES:

- Cong. Kildee has renewed calls for loan forgiveness in Flint. The city owes the state approximately \$20.8 million for past loans, and they're scheduled to be paid off in 2024. DEQ cannot forgive old loans; we can, however, build loan forgiveness into new loans. Forgiveness is presently capped at 30 percent on new loans.
- City has called on DEQ to pay for fixes to the broader water distribution system on the idea that running river water through the system for 14 months ruined it. That's an unproven statement. The system has been in a serious state of disrepair for many years. We have not addressed this issue in the media. We are focused on the Governor's plan.
- Lawmakers have called for the state to create a fund to provide wraparound services for the (Kildee says 7,000) kids exposed to Flint water situation. Don't know where the 7,000 number came from. DHHS has numbers of kids who actually have elevated blood lead levels. Again, not an issue we've addressed or plan to.

Redacted Pages 43-90

From: Bedan, Morgan (GOV)
Sent: Sunday, December 13, 2015 9:49 AM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Emmitt, Beth (GOV); Bedan, Morgan (GOV); Utley, Corey (GOV); Dickinson, Sarah (GOV)
Subject: December 14 Daily Briefing
Attachments: 151214 Daily Briefing.pdf

Governor,

Attached is your Daily Briefing for December 14. The briefing contains:

Redacted

Meetings

- Year-End Media – Pages 19 – 33
 - 2015 Highlights
 - 2015 Accomplishments

Redacted

- Flint

Redacted

Please let us know if you have any questions.

Thank you,
Morgan

Governor Rick Snyder

December 14, 2015

Daily Briefing

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Meetings	
Redacted	
6. Flint – Page 32	
Redacted	

Note: Updated/additional documents highlighted

Overnights in AA: 12/14 – 17

Overnights in GL: 12/18 - ?

Redacted Pages 2-31

Flint Facts

1. How many people have been tested since Oct. 1 Flint Water Action Plan was implemented?

- Total of 1,836 tested, 39 elevated results
 - Children 0 – 5: 806 tested
 - Children 6 – 17: 525 tested
 - Adults: 505 tested

2. What are the most recent recommendations to protect your family from lead exposure?

- Protecting your family from lead in the water:
 - Get your water tested for lead. It's free. Call (810) 787-6537 to learn more.
 - Use a water filter in your home. MDHHS continues to provide free water filters and replacement cartridges to Flint residents at four locations, including the MDHHS Flint offices and the Genesee County Community Action Resource Department.
 - Run only cold water through the filter.
 - If you do not have a water filter, use bottled water for drinking and mixing formula.
 - Use filtered or bottled water for drinking (including making coffee, drink mixes, juice, baby formula), and cooking (even if you boil the water, the lead will stay in the water and food).
 - If you have to use unfiltered water for drinking or cooking, run the tap for five minutes before using the water
- Testing children:
 - Children who live in the city of Flint should be tested for lead exposure. This should be done as soon as possible.
 - The best place to get your child's blood lead test is your doctor's office. Contact your primary care provider.
 - Children can also get a free lead test at the Genesee County Health Department. For help with transportation, call 2-1-1.
- Safe cleaning:
 - Safe cleaning is important. Keeping your home clean and safe from lead hazards will help to protect your family.
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- The Governor's plan commits that DEQ will test water in every Flint school. To date, 8 schools in Flint have undergone a thorough inspection of their plumbing. Crews from the state are completing one to two schools each weekend.
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- Residents are encouraged to continue taking advantage of this free service, but also are encouraged to get kids tested for blood lead levels.

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Redacted Pages 34-60

Message

From: Emmitt, Beth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=EMMITTB]
Sent: 10/9/2015 5:29:45 PM
To: Hansen, Rachel (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Hansenr3]; Scott, Allison (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Scotta12]
Subject: Fwd: Senior Staff
Attachments: Agenda Senior Staff Meeting (2).docx; ATT00001.htm

Just FYI that this is all there is on the agenda Monday.

Begin forwarded message:

From: "Wisniewski, Wendy (GOV)" <wisniewski@michigan.gov>
Date: October 8, 2015 at 4:13:41 PM EDT
To: "Agen, Jarrod (GOV)" <AgenJ@michigan.gov>, "Baird, Richard (GOV)" <bairdr@michigan.gov>, "Bedan, Morgan (GOV)" <BedanM@michigan.gov>, "Calley, Brian (GOV)" [REDACTED] "Clayton, Stacie (GOV)" <claytons3@michigan.gov>, "Clement, Elizabeth (GOV)" <clemente@michigan.gov>, "Emmitt, Beth (GOV)" <emmittb@michigan.gov>, "Finney, Michael (GOV)" <FinneyM@michigan.gov>, "Forstner, Nathaniel (GOV)" <forstnern1@michigan.gov>, "Snyder, Rick (GOV)" [REDACTED] "Hall, Jean (GOV)" <hallj16@michigan.gov>, "Hollins, Harvey (GOV)" <hollinsh@michigan.gov>, "Mcbride, Bill (GOV)" <mcbrideb@michigan.gov>, "Minix, Connie (DTMB)" <minixc@michigan.gov>, "Muchmore, Dennis (GOV)" <muchmored@michigan.gov>, "Posthumus, Dick (GOV)" <Posthumusd@michigan.gov>, "Quebbeman, Marsha (GOV)" <quebbemanm@michigan.gov>, "Redford, James (GOV)" <RedfordJ@michigan.gov>, "Roberts, John (DTMB)" <RobertsJ9@michigan.gov>, "Rospond, Laurie (GOV)" <rospondl@michigan.gov>, "Saunders, Kelli (GOV)" <saundersk1@michigan.gov>, "Scott, Allison (GOV)" <scotta12@michigan.gov>, "Thomet, Ruth (GOV)" <ThometR@michigan.gov>, "Walsh, John (GOV)" <WalshJ@michigan.gov>, "Wisniewski, Wendy (GOV)" <wisniewski@michigan.gov>, "Wurfel, Sara (GOV)" <Wurfels@michigan.gov>
Subject: Senior Staff
Attached is the agenda for Monday's meeting

Wendy Wisniewski

Executive Assistant to Dennis Muchmore
and Beth Clement
Executive Office of Governor Rick Snyder
George W. Romney Building, 2nd Floor
111 South Capitol Avenue
P.O. Box 30013
Lansing, MI 48909
(517) 241-5601
WisniewskiW@michigan.gov

AGENDA
SENIOR STAFF MEETING

Monday, October 12, 2015

Call-in Information:

Phone number - [REDACTED]

Access Code - [REDACTED]

Host Code - [REDACTED]

Redacted

- Flint (Agen)

Redacted

From: Holland, Meegan (GOV)
Sent: Wednesday, December 23, 2015 11:12 AM
To: Agen, Jarrod (GOV)
Subject: RE: Bills DEC 2015 (Autosaved).xlsb

Thanks. Today, I'm going to write up a plan for next steps in the Flint water crisis. My gut tells me we need to change course. I'd like to initially run it by you, Rich B. and Jim Redford. Make sense?

- Meegan

From: Agen, Jarrod (GOV)
Sent: Wednesday, December 23, 2015 11:10 AM
To: Holland, Meegan (GOV) <HollandM2@michigan.gov>; Murray, David (GOV) <MurrayD1@michigan.gov>; Heaton, Anna (GOV) <HeatonA@michigan.gov>
Subject: Fwd: Bills DEC 2015 (Autosaved).xlsb

FYI

Begin forwarded message:

From: "Snyder, Rick (GOV)" <[REDACTED]>
Date: December 23, 2015 at 11:06:17 AM EST
To: "Rospond, Laurie (GOV)" <rospondl@michigan.gov>
Cc: "Scott, Allison (GOV)" <scotta12@michigan.gov>, "Posthumus, Dick (GOV)" <Posthumusd@michigan.gov>, "Agen, Jarrod (GOV)" <AgenJ@michigan.gov>, "Clement, Elizabeth (GOV)" <clemente@michigan.gov>, "Calley, Brian (GOV)" <[REDACTED]>, "Redford, James (GOV)" <RedfordJ@michigan.gov>
Subject: Re: Bills DEC 2015 (Autosaved).xlsb

I have signed all of the bills except SB 13 and SB 571 and we have a plan for both of them. Detail will return the signed bills early afternoon to you.

Happy Holidays and Thanks
Rick

Sent from my iPad

On Dec 22, 2015, at 2:18 PM, Rospond, Laurie (GOV) <rospondl@michigan.gov> wrote:

Governor,

Attached is the bill report with the remaining bills left for signature.

The Lt Governor will be available to sign bills on 12/30/15 while you are out of state.

5 of the bills (4742, 4744, 518, 519, 446) must be signed and filed by 12/31/15.

Allison asked that I send to you the bill report to see if you would like the Lt Governor to sign the remaining bills that we have received or if you would like us to send you more bills tomorrow. One other option we have is for any bills due on 1/5 (except the 5 mentioned above), can be signed the morning of 1/5 when you return. They are all due that day at 1:20ish pm.

Note that we do not have 571, 616 or 617. Those are on hold for right now.

Thank you
Laurie

Redacted

From: Brownfield, Michael (GOV)
Sent: Sunday, December 27, 2015 4:11 PM
To: [REDACTED]
Cc: Agen, Jarrod (GOV); Clement, Elizabeth (GOV); Walsh, John (GOV); Scott, Allison (GOV)
Subject: State of the State update - 12/27/2015
Attachments: SOTS-12-27-2015.docx; SOTS-docs-12-27-15.pdf; [REDACTED]

Governor,

I have attached an updated version of the State of the State outline. The following items are for your attention:

Redacted

Also for your review in attached PDF:

Redacted

I am awaiting updates from departments on the issues you requested and will share that as it becomes available this week.

Best,

Mike Brownfield
[REDACTED] (cell)

Attachment Redacted as Irrelevant

Attachment Redacted as Irrelevant

Attachment Redacted as Irrelevant

From: Brownfield, Michael (GOV)
Sent: Monday, December 28, 2015 8:36 AM
To: Hall, Jean (GOV)
Subject: FW: State of the State update - 12/27/2015
Attachments: SOTS-12-27-2015.docx; SOTS-docs-12-27-15.pdf;
[REDACTED]

Hi Jean!

More stuff to add to the file ---

From: Brownfield, Michael (GOV)
Sent: Sunday, December 27, 2015 4:11 PM
To: [REDACTED]
Cc: Agen, Jarrod (GOV); Clement, Elizabeth (GOV); Walsh, John (GOV); Scott, Allison (GOV)
Subject: State of the State update - 12/27/2015

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I am awaiting updates from departments on the issues you requested and will share that as it becomes available this week.

Best,

Mike Brownfield

██████████ (cell)

Attachment Redacted as Irrelevant

Attachment Redacted as Irrelevant

Attachment Redacted as Irrelevant

From: Bedan, Morgan (GOV)
Sent: Friday, April 24, 2015 6:06 PM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Emmitt, Beth (GOV); Utley, Corey (GOV); Bedan, Morgan (GOV); Dickinson, Sarah (GOV)
Subject: April 24 Weekend Briefing
Attachments: [REDACTED] 150424 Weekend Briefing.pdf

Governor,

Attached is your April 24 Weekend Briefing. The briefing contains:

Redacted

For Review

Redacted

- Flint EM Transition – Pages 53 – 73
 - Treasury Memo
 - Flint RTAB Announcement
 - Flint Exit Letter
 - EM's Final Order
 - EM Termination Letter
 - RTAB Appointment Letter

Redacted

Please let us know if you have any questions.

Thank you,
Morgan

Attachment Redacted as Irrelevant

Attachment Redacted as Irrelevant

Governor Rick Snyder
April 24, 2015
Weekend Briefing

Redacted pages 1-55

Redacted

67th District Court in January, 2016. The purchase of water is now planned to come from the Karegoni Water Authority instead of the Detroit Water and Sewerage Department. Collective

Redacted

Continuing Challenges:

Significant work has been accomplished to resolve the conditions which put the City of Flint into State receivership. However, there also still exist several major challenges which will require continued work on the part of the City leaders:

Redacted

- Aging water and sewer systems designed to serve twice as many customers as the number now using the systems have resulted in water and sewer rates that are among the highest in the state. This is another factor impeding the City's ability to attract and retain businesses and residents. There needs to be a concerted effort to reduce rates by as much as 50%, but that cannot even be contemplated without the commitment of financial assistance from the state and federal governments. While the decision to join with Genesee County in the creation of the KWA will result in costs for purchasing water increasing at a rate less than historically paid to the previous supplier, it will not be sufficient to lower costs.

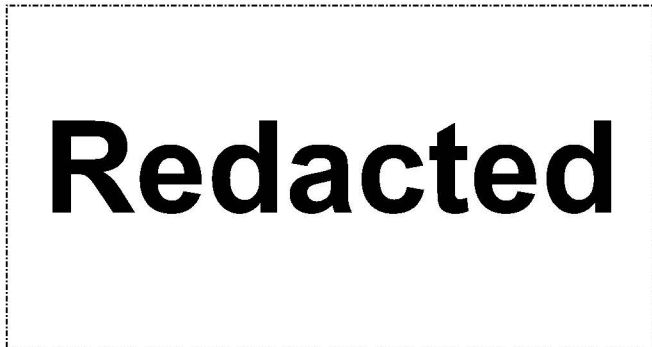
Redacted

Redacted pages 59-91

From: Bedan, Morgan (GOV)
Sent: Sunday, September 27, 2015 9:06 AM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Agen, Jarrod (GOV); Emmitt, Beth (GOV); Bedan, Morgan (GOV); Dickinson, Sarah (GOV); Utley, Corey (GOV)
Subject: September 28 Daily Briefing
Attachments: 150928 Daily Briefing.pdf

Governor,

Attached is your Daily Briefing for September 28. The briefing contains:



For Review

- Flint Water FAQ & Talking Points – Pages 26 – 30

Please let us know if you have any questions.

Morgan

Governor Rick Snyder

September 28, 2015

Daily Briefing

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Note: No changes from Weekend Briefing

Pages 2-25 redacted

Governor Rick Snyder

September 28, 2015

Daily Briefing

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Flint Water FAQ & Talking Points	26 – 30

Note: No changes from Weekend Briefing

Are there other ways the city monitors for lead exposure?

The County Health Department, overseen statewide by the Michigan Department of Health and Human Services, regularly monitors blood levels in children throughout Michigan communities. The leading cause of lead poisoning is exposure to lead paint.

Blood lead level testing results for the 12-month period just after the City of Flint changed its water source (May 2014 – April 2015) showed no significant change in the pattern of blood lead levels in Flint, compared to the previous three years. This data suggests the recent change in water source by the City of Flint has not contributed to an increase in lead exposure throughout the community.

How does the state decide if the water is creating a lead problem?

Compliance with the federal lead rule is based on a 90th percentile calculation. If more than 10 percent of samples report lead above the federal action level of **15 parts per billion**, a water supply has an “action level exceedance.” An exceedance is not a violation. It triggers other requirements which could include public notification, additional water quality sampling, and possibly further treatment.

While some of Flint’s individual samples exceeded the 15 parts-per-billion lead action level, compliance is based on **the 90th percentile of samples**. The City of Flint’s 90th percentile level has ranged between 0 parts per billion in 2008 and 2011, and 15 parts per billion in 1992, but never exceeded the action level.

The two most recent sampling periods, in 2014 and 2015, were 6 parts per billion and 11 parts per billion, respectively.

Did the city use every sample they got back?

Sampling requirements for lead and copper are designed to target the most common pathways to lead ingestion in homes with the least protection. The sample must be collected from a commonly used kitchen or bathroom tap, and in accordance with the provided sampling instructions. Homes that employ filtration or additional treatment cannot be included. Samples must also be collected within the established monitoring period.

I have a lead service connection or lead plumbing. What should I do?

Replacement is the only way to eliminate lead exposure. However, here are some interim steps homeowners can take to reduce it:

Flush pipes before drinking, and only use cold water for consumption.

The more time water has been sitting in your home's pipes, the more lead it may contain. When water in a particular faucet has not been used for six hours or longer, “flush” cold-water pipes by running the water until it becomes as cold as it will get. This could take five to 30 seconds if there has been recent water use elsewhere in the home, such as showering or flushing toilets. Otherwise, it could take two minutes or longer.

Use only water from the cold-water tap for drinking, cooking, and especially for making baby formula. Hot water is likely to contain higher levels of lead.

Who is responsible for replacement of lead materials?

Replacement of service pipes on private property and any leaded plumbing materials within the home is a **homeowner's responsibility**. The City of Flint owns the service pipe from the water main to the curb stop valve, and that is **the City's responsibility**. This valve is normally located two feet in from the street curb. From there to the house is private property and the responsibility of the homeowner.

Why doesn't the city at least replace its portion of lead service lines?

Partial lead service line replacement has been shown to mobilize more lead and make the situation worse. Only full lead service line replacement has been demonstrated effective in achieving long-term reductions in drinking water lead levels.

What is the City's timeline for installation of corrosion control treatment?

The federal government allows the steps to complete the installation of optimal corrosion control treatment and follow-up monitoring to take up to five years.

However, the City of Flint has committed to completing installation of Optimized Corrosion Control Treatment in **less than six months**.

What will happen when Flint joins the Karegnondi Water Authority next year?

The City has committed to having Optimized Corrosion Control Treatment in place prior to its connection with the Karegnondi Water Authority (KWA). The water provided by KWA will come from a new source, Lake Huron. The city will continue its lead and copper sampling every six months. Additionally, the city's water treatment plant will continue to operate with uninterrupted Optimized Corrosion Control Treatment.

How long would it take to replace lead service lines throughout Flint?

The city has about 32,900 service connections in total. **More than 15,000** of these connections are considered lead service lines. Even if many crews were contracted, it would likely take up to 15 years to complete this work.

What would it cost to replace the lead service line at my house?

Average costs to replace a lead service line at an individual home range from \$2,000 to \$8,000. Costs vary depending on the length and size of service line that is needed, as well as the ground cover and soil conditions encountered.

With more than 15,000 lead service lines at an estimated average cost of \$4,000 for each replacement, total cost could **be \$60 million or more**.

Blood Lead Levels in Flint Talking Points

September 24, 2015

- Promoting the health of our residents is a statewide priority – a priority that includes ensuring clean, safe drinking water for all residents and especially children.
- The results of the Hurley Children's Hospital are under review by the Michigan Department of Health and Human Services.
- The analysis that Hurley conducted is different from the way MDHHS has analyzed data regarding blood lead levels in Flint.
- MDHHS is looking to see if we can replicate the results of the Hurley study to see how they achieved their results.

MDHHS Blood Lead Testing Results in Flint

- MDHHS data shows a comprehensive look at the data since 2010, years before the change in Flint's water source occurred in April 2014.
- Each year shows a seasonal increase in childhood lead poisoning in the summer months, the highest seasonal increase of which occurred in 2010.
- If elevated blood lead levels were being driven by the change in water, we would expect to see the elevated levels remain high after the change in water source, rather than follow the seasonal pattern as they did by decreasing in the fall months.
- All data included in the MDHHS analysis were reported by laboratories directly to MDHHS, in accordance with State Law.

Differences in Analysis

- MDHHS data provides a much more robust picture of the entire blood lead levels for the Flint area, and specifically, accounts for data over the full course of the past five years.
- Looking at the past five years as a whole provides a much more accurate look at the seasonal trends of lead in the area.
- Seasonal exposure is higher in the summer for a variety of reasons including children playing outside in the soil, and when windows are open and lead paint is more likely to be in the air. This seasonal increase would be unrelated to the water system.
- Our data includes children from the entire city, including all medical facilities, rather than just Hurley, has a larger age group of children, and includes a much larger sample size.
- The MDHHS analysis looks specifically at the first elevated blood lead level for each child, which provides an accurate picture of when first exposure occurred.

- The Hurley data includes a smaller sample size, much more limited time period (January-September of 2013 and 2015 only), and a smaller age group of children.

WIC Children

- In homes with infants on WIC, if the household has documentation from an official source of unsanitary water supply issues, that family may be eligible to receive ready-to-feed formula. Families should contact WIC to see if they are eligible.
- Each household would have to be looked at on an individual basis.
- WIC cannot cover bottled water.

From: Dickinson, Sarah (GOV)
Sent: Friday, October 02, 2015 3:15 PM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Agen, Jarrod (GOV); Emmitt, Beth (GOV); Bedan, Morgan (GOV); Utley, Corey (GOV); Dickinson, Sarah (GOV)
Subject: October 2 Weekend Briefing and Bill Packet
Attachments: [REDACTED]; 151002 Weekend Briefing.pdf; [REDACTED]

Governor,

Attached is your Weekend Briefing for October 2. The briefing contains:

- **Redacted**

Events

- **Redacted**

Meetings

- **Redacted**

For Review

- **Redacted**

Signed Letters

- **Redacted**

- Congressman Kildee Flint Water Update – Page 101
- Senator Peters Flint Water Update – Page 102
- Senator Stabenow Flint Water Update – Page 103

Please let us know if you have any questions.

Thank you,
Sarah

Attachment Redacted as Irrelevant

Governor Rick Snyder
October 2, 2015
Weekend Briefing

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Senator Peters Flint Water Update	102
Senator Stabenow Flint Water Update	103

*Updated from 9/25 Weekend Briefing
Updated/additional material highlighted

Redacted

Pages 2-100 redacted



STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

October 2, 2015

RICK SNYDER
GOVERNOR

BRIAN CALLEY
LT. GOVERNOR

The Honorable Dan Kildee
U.S. House of Representatives
227 Cannon House Office Building
Washington, DC 20515

Dear Congressman Kildee:

As part of our ongoing dialogue related to the City of Flint's water, I want to make sure you are aware of the actions taken by the State of Michigan to ensure that the residents of Flint have access to safe, clean drinking water. These actions include:

1. Immediately testing Flint's public school district to ensure that drinking water is safe. Testing also will be available at no cost to any other school in Flint.
2. Expanding health exposure testing of individual residences.
3. Offering water testing at no cost to Flint residents to assure the water is safe.
4. Begin optimizing corrosion controls in the Flint drinking water system.
5. Convening a "Safe Drinking Water Technical Advisory Committee" to ensure the best technology, practices, and science are being utilized. This Committee will include an expert from the EPA's Office of Research and Development.
6. Accelerating water system improvements to address replacement of lead service lines.
7. Expediting completion of Karegnondi Water Authority.
8. Appointing Dr. Eden Wells as the Flint Drinking Water Public Health Advisor.
9. Providing water filters to residents of Flint.
10. Expanding a comprehensive lead education initiative.

While these actions will mitigate the risk of lead exposure in the immediate and long term, there are a number of federal regulatory hurdles that impede our ability to further reduce risk. As the federal representative for the City of Flint, I would appreciate your assistance on the following federal items:

1. Make federal Drinking Water Revolving Loan funds available for the replacement of private service lines.
2. Ease and/or eliminate restrictions on the purchase of bottled water for SNAP and WIC recipients. This should include a temporary, targeted increase in SNAP benefits so that the purchase of bottled water does not count against a recipients' current SNAP allocation.
3. Request that the EPA expedite promulgation of the long term revisions to the Lead and Copper Rule.

As the situation continues to evolve, I would also appreciate your assistance in the event that additional federal action is needed.

Thank you for your continued advocacy related to the City of Flint's water. I have appreciated the ongoing dialogue and am heartened to have a partner in ensuring that the residents of Flint have access to safe, clean drinking water. I look forward to continuing to work with you on this and many other issues of importance to Michiganders.

Sincerely,

Rick Snyder
Governor



STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

RICK SNYDER
GOVERNOR

BRIAN CALLEY
LT. GOVERNOR

October 2, 2015

The Honorable Gary Peters
U.S. Senate
724 Hart Senate Office Building
Washington, DC 20510

Dear Senator Peters:

As we continue to address ongoing issues related to the City of Flint's water, I want to make sure you are aware of the actions taken by the State of Michigan to ensure that the residents of Flint have access to safe, clean drinking water. These actions include:

1. Immediately testing Flint's public school district to ensure that drinking water is safe. Testing also will be available at no cost to any other school in Flint.
2. Expanding health exposure testing of individual residences.
3. Offering water testing at no cost to Flint residents to assure the water is safe.
4. Begin optimizing corrosion controls in the Flint drinking water system.
5. Convening a "Safe Drinking Water Technical Advisory Committee" to ensure the best technology, practices, and science are being utilized. This Committee will include an expert from the EPA's Office of Research and Development.
6. Accelerating water system improvements to address replacement of lead service lines.
7. Expediting completion of Karegnondi Water Authority.
8. Appointing Dr. Eden Wells as the Flint Drinking Water Public Health Advisor.
9. Providing water filters to residents of Flint.
10. Expanding a comprehensive lead education initiative.

While these actions will mitigate the risk of lead exposure in the immediate and long term, there are a number of federal regulatory hurdles that impede our ability to further reduce risk. As the federal representative for the City of Flint, I would appreciate your assistance on the following federal items:

1. Make federal Drinking Water Revolving Loan funds available for the replacement of private service lines.
2. Ease and/or eliminate restrictions on the purchase of bottled water for SNAP and WIC recipients. This should include a temporary, targeted increase in SNAP benefits so that the purchase of bottled water does not count against a recipients' current SNAP allocation.
3. Request that the EPA expedite promulgation of the long term revisions to the Lead and Copper Rule.

As the situation continues to evolve, I would also appreciate your assistance in the event that additional federal action is needed.

Thank you for your continued efforts to ensure that the residents of Flint have access to safe, clean drinking water. I look forward to continuing to work with you on this and many other issues of importance to Michiganders.

Sincerely,

Rick Snyder
Governor



STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

RICK SNYDER
GOVERNOR

BRIAN CALLEY
LT. GOVERNOR

October 2, 2015

The Honorable Debbie Stabenow
U.S. Senate
731 Hart Senate Office Building
Washington, DC 20510

Dear Senator Stabenow:

As we continue to address ongoing issues related to the City of Flint's water, I want to make sure you are aware of the actions taken by the State of Michigan to ensure that the residents of Flint have access to safe, clean drinking water. These actions include:

1. Immediately testing Flint's public school district to ensure that drinking water is safe. Testing also will be available at no cost to any other school in Flint.
2. Expanding health exposure testing of individual residences.
3. Offering water testing at no cost to Flint residents to assure the water is safe.
4. Begin optimizing corrosion controls in the Flint drinking water system.
5. Convening a "Safe Drinking Water Technical Advisory Committee" to ensure the best technology, practices, and science are being utilized. This Committee will include an expert from the EPA's Office of Research and Development.
6. Accelerating water system improvements to address replacement of lead service lines.
7. Expediting completion of Karegnondi Water Authority.
8. Appointing Dr. Eden Wells as the Flint Drinking Water Public Health Advisor.
9. Providing water filters to residents of Flint.
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While these actions will mitigate the risk of lead exposure in the immediate and long term, there are a number of federal regulatory hurdles that impede our ability to further reduce risk. As the federal representative for the City of Flint, I would appreciate your assistance on the following federal items:

1. Make federal Drinking Water Revolving Loan funds available for the replacement of private service lines.
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3. Request that the EPA expedite promulgation of the long term revisions to the Lead and Copper Rule.

As the situation continues to evolve, I would also appreciate your assistance in the event that additional federal action is needed.

Thank you for your continued efforts to ensure that the residents of Flint have access to safe, clean drinking water. I look forward to continuing to work with you on this and many other issues of importance to Michiganders.

Sincerely,

Rick Snyder
Governor

Attachment Redacted as Irrelevant

From: Dickinson, Sarah (GOV)
Sent: Tuesday, October 06, 2015 5:32 PM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Agen, Jarrod (GOV); Emmitt, Beth (GOV); Bedan, Morgan (GOV); Utley, Corey (GOV); Dickinson, Sarah (GOV)
Subject: October 7 Daily Briefing
Attachments: 151007 Daily Briefing.pdf

Governor,

Attached is your Daily Briefing for October 7. The briefing contains:

- **Redacted**
- **Events**
- **Redacted**
- **Meetings**
- **Redacted**
- **For Review**
- Flint Water Update – Pages 40 - 41

Please let us know if you have any questions.

Thank you,
Sarah

Governor Rick Snyder

October 7, 2015

Daily Briefing

Contents

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Redacted

For Review

Flint Water Update

40 - 41

Pages 2-39 redacted

Flint Water Update from DEQ

The Flint Drinking Water Action Plan was announced on October 2, 2015. It included the following:

- Testing in Flint public schools immediately
- Offered free water testing to Flint residents
- Provided free water filters to residents with concerns or who are included in state assistance programs
- Expanding health exposure testing of individual homes
- Accelerating corrosion controls in the Flint drinking water system
- Accelerating water system improvements to address replacing lead service lines
- Expediting the completion of the Karegnondi Water Authority pipeline
- Expanding a Safe Drinking Water Technical Advisory Committee
- Named Dr. Eden Wells as the Flint drinking water public health advisor
- Boosted a comprehensive lead education program

Testing in Flint Public Schools Immediately

Samples were taken on October 2 and were received at DEQ laboratory over the weekend. Test results to date indicate 37 samples tested, 4 of which exceeded a federal action level, and 1 of those 4 was a significant outlier. We will be compiling detailed information about which schools and area codes the test results came from and will be providing that information in our next update.

We have met with DHHS, and we are working on developing response protocols, a communications plan, and guidance for schools when this data is reported.

Offered Free Water Testing to Flint Residents

We have received 4 sets of samples from Flint that represent individual residents. We will be compiling the total number and the results of those samples and reporting in a future report.

Provided Free Water Filters to Residents with Concerns or Who are Included in State Assistance Programs

DHHS held organizational meetings in Flint on October 5, and filter distribution by DHHS started on October 6. Nick Lyon in DHHS is taking the lead in filter distribution.

Expanding Health Exposure Testing of Individual Homes

Dr. Wells and Dan Wyant have been in conversations about a protocol for exposure testing. Dr. Wells will take the lead on developing the protocol.

Accelerating Corrosion Controls in the Flint Drinking Water System

A conference call was held with U.S. EPA Regional Administrator Susan Hedman and national corrosion control experts. We asked two questions:

1. Which is a safer water source – DWSD or Flint River?
2. If you don't have an opinion on the safer source, what criteria should we use for an evaluation?

EPA staff would not commit to a preference, but their evaluation of the criteria clearly lead to the conclusion that DWSD was a safer water source. EPA committed to submitting technical assistance to the Safe Drinking Water Technical Advisory Committee (Advisory Committee) meeting, which will be held on October 7 at 2:00 p.m. in Flint City Hall.

DEQ met with the Flint Mayor, the city manager, and their water staff. Flint agreed to expediting corrosion controls. We discussed the agenda for the Advisory Committee meeting. The Advisory Committee will be asked to evaluate two respective water sources at their Wednesday meeting.

We expect the Advisory Committee to recommend the water source that would address not only lead safety but also other water safety issues.

Accelerating Water System Improvements to Address Replacing Lead Service Lines

Conversations with Congressman Kildee and EPA have clarified the state would be allowed to use Drinking Water Revolving Loan funds to replace private drinking water service lines. Senator Ananich has been approached to introduce language clarifying the state's authority.

Expediting the Completion of the Karegnondi Water Authority Pipeline

Dan Wyant has talked to Genesee County Drain Commissioner Jeff Wright. Mr. Wright has provided a list of issues that would help expedite the completion of the Karegnondi Water Authority pipeline. They include truck weight and frost law exemptions, talent identification, and expediting permits.

Expanding a Safe Drinking Water Technical Advisory Committee

EPA has appointed their national technical expert to the Advisory Committee, and we have appointed Alfred Franzblau, M.D., Professor of Environmental Health Services, University of Michigan, to the Advisory Committee.

Named Dr. Eden Wells as the Flint Drinking Water Public Health Advisor

Boosted a Comprehensive Lead Education Program

Other Updates

- Dan Wyant was interviewed on 10/6 by CBS Evening News during filter distribution in Flint. Questions asked:
 - Was it a mistake to go to Flint River water?
Answer: We draw water from the surface waters; we treat it to safe drinking water standards. At issue is lead exposure. Lead exposure must be addressed. Actions are being taken to address the issue.
 - Did you put kids at risk?
Answer: Lead exposure is a serious issue, and steps need to be taken to limit lead exposure.
 - Why did it take so long?
Answer: DEQ has been there from the beginning addressing the issue of Flint water. Recent tests justify and require the actions taken. Action steps address short-term, intermediate, and long-term lead issues to ensure public safety and confidence of the drinking water.
- Dan Wyant also spoke to the Governor about Flint funding needs. A meeting is scheduled for October 7 at 8:00 a.m. to further discuss proposals.
- What we are telling Flint citizens is:
 - Have your water tested
 - Use only cold water for drinking, cooking, and preparing formula
 - Run water before use if it has not been used for several hours
 - Obtain a water filter approved for lead removal
 - Purchase lead-free plumbing components
 - Remove entire lead service lines

Flint Water Update from Communications Team

- CBS Evening News was in Flint Monday and Tuesday with coverage slated to air during tonight's 6 p.m. news block nationally. Story isn't likely to be great, but should hopefully be fair and balanced. Will have ties into race, poverty, emergency management, and what state and locals did and knew when and how situation was handled.
- We helped arrange interviews with DEQ Director Dan Wyant and DHHS' Cheryl Thompson, who is the deputy director for the Department's field services, an African American and also a Flint resident. They did those interviews from the now up and running water filter distribution centers at one of the two DHHS Flint offices.
- They also did interviews with local Flint media.
- Majority of media coverage both in Flint locally and statewide today to date has been on free water filter distribution so has been generally more positive.
- Sen. Ananich was again urging immediate switch to Detroit water with comment "To me, the cost-benefit analysis that has cost on one side and brain damage for kids on the other -- it's incomprehensible."
- Erin Brockovich did an exclusive interview for WJRT TV 12 that's supposed to air tonight in the 5 p.m. news and the teaser is "one of the worst situations she's ever seen."

From: Dickinson, Sarah (GOV)
Sent: Wednesday, October 07, 2015 7:19 PM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Agen, Jarrod (GOV); Emmitt, Beth (GOV); Bedan, Morgan (GOV); Utley, Corey (GOV); Dickinson, Sarah (GOV)
Subject: October 8 Daily Briefing
Attachments: [REDACTED] 151008 Daily Briefing.pdf

Governor,

Some documents for the Press Conference are enclosed, but updated information may be sent from the Communications team later this evening.

Attached is your Daily Briefing for October 8. The briefing contains:

- [REDACTED] **Redacted**

Events

- Flint Water Press Conference – Pages 9 - 22
 - Briefing
 - FAQs for Media Q&A
 - Talking Points for Director Lyon and Dr. Wells
 - Communications and Outreach Plan
 - Press Release

- [REDACTED] **Redacted**

Meetings

- [REDACTED] **Redacted**

For Review

- [REDACTED] **Redacted**

Please let us know if you have any questions.

Thank you,
Sarah

Attachment Redacted as Irrelevant

Governor Rick Snyder

October 8, 2015

Daily Briefing

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2. FAQs for Media Q&A – Page 12	
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3. Talking Points for Director Lyon and Dr. Wells – Page 15	
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4. Communications and Outreach Plan – Page 18	
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5. Press Release – Page 21	
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Redacted

Pages 2-8 redacted

Briefing: Flint Water System Press Conference

Thursday, Oct. 8, 2015

Mott Foundation/Commerce Center Building Ground Floor

519 S. Saginaw St., Flint

Communications: Sara Wurfel, 517-599-3470, wurfels@michigan.gov

Dave Murray, 517-449-8343, murrayd1@michigan.gov

Purpose:

We're announcing the decision to reconnect Flint to the Detroit Water and Sewerage Department, a collaborative effort between the state government, Flint city government and the Mott Foundation.

High level points:

- Protecting the health and safety of our residents in Flint and across Michigan is always our top priority.
 - All Michigan residents need access to safe, clean water.
- That's why today, in consultation with health and water experts in our state agencies, I'm advocating reconnecting the Flint drinking water with the Great Lakes Water Authority.
- I'm recommending to my partners in the Legislature that the state government provide \$6 million of the needed \$12 million to reconnect with authority.
 - The Flint city government has agreed to cover \$2 million of this cost, and the Charles Stewart Mott Foundation is generously offered to donate \$4 million.
- What you are seeing here today is a community coming together to work toward solving a problem.
 - I appreciate the assistance of Mayor Walling, and the U.S. Environmental Protection Agency.
 - This is a collaborative approach, and I appreciate that community organizations including the United Way and come forward to assist.

Agenda:

9:00 AM - 9:45 AM	Gov meets with Mayor Walling in [Room 1]
9:45 AM – 10:00 AM	Pre-Brief in [Room 2]
10:00 AM – 10:01 AM	Harvey Hollins kicks off press conference; introduces Governor
10:01 AM – 10:05 AM	Governor gives remarks
10:05 AM – 10:06 AM	Harvey Hollins introduces Mayor Dayne Walling
10:06 AM – 10:10 AM	Mayor Walling gives remarks
10:10 AM – 10:11 AM	Harvey Hollins introduces DEQ Director Dan Wyant
10:11 AM – 10:15 AM	Director Wyant gives remarks
10:15 AM – 10:16 AM	Harvey Hollins introduces DHHS Director Nick Lyon
10:16 AM – 10:17 AM	Director Nick Lyon introduces Dr. Eden Wells
10:17 AM – 10:20 AM	Dr. Eden Wells remarks
10:20 AM – 10:21 AM	Harvey Hollins introduces Ridgway White of Mott Foundation
10:21 AM – 10:25 AM	Ridgway White gives remarks
10:25 AM – 10:35 AM	Q&A from the podium
10:35 AM	Event concludes; Governor departs

Attendees: Roughly 20 in audience

Susan	Borrego	Chancellor, U of M Flint
Oscar	Overton	Pastor
Alfred	Harris	Pastor

Latrell	Holmes	Pastor
Jim	Ananich	Michigan Senate
Sheldon	Neely	Michigan House
Phil	Phelps	Michigan House
Jeff	Wright	Drain Commissioner, Genesee County
Amy	Hovey	Dan Kildee office
Jamie	Gaskin	Dan Kildee office
Tim	Herman	Flint Chamber of Commerce
Brian	Larkin	Flint Chamber of Commerce
Eric	Mays	Flint City Council
Jacqueline	Poplar	Flint City Council
Kerry	Nelson	Flint City Council
Joshua	Freeman	Flint City Council
Wantwaz	Davis	Flint City Council
Herbert	Winfrey	Flint City Council
Monica	Galloway	Flint City Council
Vicki	VanBuren	Flint City Council
Scott	Kincaid	Flint City Council

Speaker comments:

RDS – Collaboration led to solution, outline of solution

Mayor Walling – Importance of solution to Flint

Dan Wyant – School testing results, overview of steps on transition from Flint River to DWSD

Nick Lyon – DHHS involvement

Dr. Eden Wells – Testing of water going forward, use of filters approved by NSF

Ridgway White – Importance of collaboration/commitment to Flint

Talking points:

- Protecting the health and safety of our residents in Flint and across Michigan is always our top priority.
 - All Michigan residents need access to safe, clean water
- That's why today, in consultation with health and water experts in our state agencies, I'm advocating reconnecting the Flint drinking water with the Great Lakes Water Authority.
- I'm recommending to my partners in the Legislature that the state government provide \$6 million of the needed \$12 million to reconnect with authority.
 - The Flint city government has agreed to cover \$2 million of this cost, and the Charles Stewart Mott Foundation is generously offered to donate \$4 million.
 - The Michigan Department of Health and Human Services and the Department of Environmental Quality today also is committing an additional \$3.5 million for water filters, free lead testing through the state laboratory for Flint water customers, and hiring additional staff to conduct health exposure monitoring for lead in drinking water.
- What you are seeing here today is a community coming together to work toward solving a problem.
 - I appreciate the assistance of Mayor Walling, and the U.S. Environmental Protection Agency.
 - This is a collaborative approach, and I appreciate that community organizations including the United Way and come forward to assist.
- Today's announcement is an important step as we move forward together.
 - But it is not our first step, nor will it be our last.

- This announcement builds on work we've already set in place.
 - That includes \$4.2 million in state grants and loan restructuring to help identify and fix infrastructure problems.
 - State agencies have been working closely with Flint leaders and the community for more than a year.
- There will be more to do.
 - Flint has an aging water infrastructure system with challenges that we – together – will continue to address.
- We will continue to test Flint schools for lead levels in drinking water.
 - Schools across the state might also have questions.
 - The Department of Environmental Quality will work with districts across the state to provide testing.
 - Districts can send water samples and paperwork and the nominal charge. (It costs \$26 per sample).
- The steps outlined in the comprehensive action plan are still in effect.

Switch to Great Lakes Water Authority

What finally pushed the state to this decision?

This was the City's request, and the Governor supports it, based on several key factors:

In the near term, DWSD water will be easier to manage. It comes from a more stable source than the river, it is fully optimized for corrosion control, and it is clear that residents of Flint have more confidence in this water source.

Will this solve Flint's water crisis?

In combination with the other short term, intermediate term and long-term steps outlined last week, this move represents a big step forward. Flint still has serious system maintenance challenges it must address.

If you're saying residents will still have lead because of their plumbing, does that mean every other city in this state has a lead problem?

Many areas of the state have lead in their infrastructure mix.

Where's the state getting the money to fund this?

We have submitted a formal request to lawmakers via the appropriations process.

Where's the city getting the money to fund this?

The city is contributing all it can, and is getting assistance for its match from the Mott Foundation.

How long will the switch take?

The switch will be completed by the City and Great lakes Water Authority, but our understanding is that it can be accomplished in the very near term once the arrangements are complete.

How long will it take before Detroit's corrosion controls provide protection for Flint?

It will take some time for the corrosion control additives to build on pipe walls throughout the system. Estimates vary. The state can assure we will commence monitoring of the system early 2016 and report results as we get them to keep the community updated.

Why do residents still need to use filters and bottled water?

The filters and bottled water are responsible precautions for any resident concerned about lead exposure.

Do the filters actually work? We've been hearing they don't protect for lead.

Yes, the filters work. They are all certified for lead removal by the National Sanitation Foundation.

The filters are only good for 100 gallons. What happens when they are used up?

They will need to be replaced. And residents can get a new filter.

What about restaurants?

What's going to be done about lead service lines?

Long term, this is the only permanent solution to lead exposure. The state has committed to helping the city accomplish this goal long term.

Do you wish you'd made this switch sooner?

We support the City's decision. We can't look backward. We feel the state has responded quickly and effectively as information has surfaced, been investigated and verified. While the City of Flint is, right now, in compliance with the federal Lead and

Copper Rule, we recognize there is a disparity between surveillance testing and other testing happening in the community that we need to better understand and we are working on developing our knowledge.

Schools testing**What do these results say?**

The results say we need to further investigate Flint schools and help the schools find clearer causes for some the results we got.

Any theories about what's going on?

It is possible there are specific points in the plumbing that have lead components which need to be replaced, but we can't say anything definitively until we perform an investigation at each school.

Do the schools have lead service lines? If not, why are they getting such high results?

The schools we tested initially do not have lead service lines. There are a few possible reasons why lead is being detected at specific points in the buildings and not others. When we know things definitively, we will make the information public.

How long do the schools have to stay on bottled water? Just until the switch to Detroit, or longer term?

We are encouraging the schools to continue their current protective measures as a precaution until we can get into the buildings and get more answers.

Why did you only test 13 schools?

That was what the Flint Public Schools requested.

What happens to other schools?

We will test all the schools in Flint if they request it.

What about the schools that can't afford to update their entire plumbing systems?

This is why we are having plumbing assessments completed. There is no way to know yet what each building will require.

How confident are you in your testing? You've got results all over the map.

We are confident that our testing meets the requirements for the federal Lead and Copper Rule, which is surveillance monitoring. The bigger question is whether surveillance monitoring meets the public health protection standards that Lead Exposure Testing methods do. The EPA is working on that question now, and we are engaged in that dialogue.

What do you mean by "health exposure testing"? What are you doing next?

The 90th percentile of your results is still below 15 ppb. Does that make you more or less confident in your testing and in your protocols?

It makes us confident that the testing protocol delivers consistent results. But again, it does raise questions about whether this testing method shows what people think it does or what they really want to know, which is actual lead exposure from lead plumbing in a home.

Any idea how long kids have been exposed to lead? Was it before the move to the Flint River?

That is possible. We don't know.

How does the state bring this new information into the broader picture of kids' lead exposure across the state?

Blood Lead Levels in Flint Talking Points for Director Lyon and Dr. Wells

Water Filters

- Our first action item is to work closely with our public and private partners to provide water filters to Flint residents and MDHHS clients.
- To meet this priority, the governor identified one million dollars in state funding to purchase water filters for Flint residents.
- The Brita SAFF-100 filters being distributed by the department and GCCARD do meet the NSF/ANSI 53 standards for drinking water treatment units.
- The Brita faucet filtration system we are distributing are National Sanitation Foundation certified to reduce lead in drinking water.
- Free water filters are available to current Michigan Department of Health and Human Services clients and Flint residents who are on the Flint water system at four locations:
 - Flint residents who are not current MDHHS clients should visit one of two Genesee County Community Action Resource Department offices to obtain a filter.
 - at 2727 Lippincott and 601 North Saginaw in Flint
 - Current MDHHS clients in the city of Flint should visit their local MDHHS office
 - At 125 E. Union St. or 4809 Clio Road
- Staff will be onsite at all four locations from 9 a.m. to 4 p.m., Monday through Friday, to distribute filters and assist residents who have questions about proper installation.
- Extended hours are being offered at the Lippincott facility only, and will run until 7 p.m. on Thursday and Friday, and from 10 a.m. to 2 p.m. on Saturday. The other three locations will maintain 9 a.m. to 4 p.m. operating hours, Monday through Friday, for filter pick up.
- Given the questions and concerns regarding the change in water source in Flint, MDHHS authorized the use of emergency services funding to provide water filters for MDHHS clients receiving assistance in the city of Flint.
- This funding will support active Family Independence Program (FIP), Food Assistance Program (FAP), Child Development and Care (CDC), State Disability Assistance (SDA), State Disability Assistance (SDA), or Social Security Insurance (SSI) recipients so that they can obtain filters that are National Sanitation Foundation (NSF) certified to remove lead and ANSI Standard 53.
- MDHHS currently serves approximately 25,000 households in Flint.

School Testing and Results

- The state today also released the first results from its free lead screening program in schools.
- Out of 13 buildings tested, four samples spread over three buildings exceeded the federal action level of 15 parts per billion.
- However, this sampling provides only an initial screen, and MDHHS toxicologists will work with DEQ to conduct further testing.
- Schools on the Flint water system should continue using filtered or bottled water to protect against potential lead exposure.

Background Information

- Initial analysis of MDHHS data found that blood lead levels (BLLs) of children in Flint have followed an expected seasonal trend; due to small numbers further analysis was initiated.

- While this analysis of blood lead levels in Flint as a whole remains true, after a comprehensive and detailed review down to the zip code level, we have found that the state analysis is consistent with that presented by Hurley.
- Director Lyon is working closely with DEQ and the administration to take active steps to reduce all potential lead exposures in Flint, and across the state.
- Our Chief Medical Executive has been in communication with the lead investigator at Hurley Children's Hospital, and we continue to work with Hurley, the city of Flint, local and state leaders to verify and analyze data trends.
- Zip code-level data does show that there has been an increase in elevated childhood blood lead levels in specific communities.
 - This does not conclusively mean that the water source change is the sole cause of the increase, but data does show an association.
 - There is an increased proportion of children with elevated Blood Levels (ELBs) in several zip codes, particularly 03 and 04. These appear to have increased over the last 1.5 years.
 - Lead exposure can occur from a number of different sources (such as paint, gasoline, solder, and consumer products) and through different pathways (such as air, food, water, dust, and soil).
 - Although there are several exposure sources, lead-based paint is still the most widespread and dangerous high-dose source of lead exposure for young children in the US and Michigan.
- We reviewed MDHHS statewide data using the same methodology used by Hurley, looking at our numbers by zip code and age ranges, and filtering out non-Flint children.
- Routine surveillance of blood lead levels does not analyze data down to the zip code level. Detailed analysis like this occurs when there is reason to focus in on precise locations or populations.
- MDHHS is working closely with the Michigan Department of Environmental Quality, Hurley Children's Hospital, the Genesee County Health Department, and community organizations to initiate further action steps.
- We understand that cost may be a barrier to following the recommendations for drinking water, which is why NSF certified filters are being distributed to residents on the Flint water system free of charge.
- MDHHS is recommending that residents follow the Public Health Advisory issued by the Genesee County Health Department, as well as take further steps to reduce exposures to all forms of lead in and around their homes.

MDHHS Stats and Facts

- 'High Risk' Zip codes (48503 and 48504)
 - Blood lead level rates among children under six years of age in the high risk zip codes (48503, 48504) were 2.7 times higher than the rest of Genesee County before the switch to Flint River Water.
 - After the switch to Flint River Water, rates in the high risk Zip codes were 3.2 times that of the rest of Genesee County.
- Other Zip codes in Flint
 - Rates of elevated blood lead levels among children under six years of age in other parts of the city of Flint were 2 times that of the rest of Genesee County before the switch to Flint River Water.
 - The magnitude of the elevated rate remained roughly the same during the period after the water source switch.
- Lead abatement through MDHHS was federally funded up until FY14 when Michigan began providing additional funds to abate homes.
- In FY14, \$1.25M General Fund was added. In FY15, General Fund was bumped up to \$1.75M and FY16, General Fund remains at \$1.75M.

Reducing and Removing Lead Exposure

- In housing built before 1978, it can be assumed that the paint has lead unless tests show otherwise.
- Make sure your child does not have access to peeling paint or chewable surfaces painted with lead-based paint.
- Children and pregnant women should not be present in housing built before 1978 that is undergoing renovation. They should not participate in activities that disturb old paint or in cleaning up paint debris after work is completed.
- Create barriers between living/play areas and lead sources. Until environmental clean-up is completed, you should clean and isolate all sources of lead.
 - Close and lock doors to keep children away from chipping or peeling paint on walls. You can also apply temporary barriers such as contact paper or duct tape, to cover holes in walls or to block children's access to other sources of lead.
- Regularly wash children's hands and toys. Hands and toys can become contaminated from household dust or exterior soil. Both are known lead sources.
- Regularly wet-mop floors and wet-wipe window components. Because household dust is a major source of lead, you should wet-mop floors and wet-wipe horizontal surfaces every 2-3 weeks.
 - Windowsills and wells can contain high levels of leaded dust. They should be kept clean. If feasible, windows should be shut to prevent abrasion of painted surfaces or opened from the top sash.
- Take off shoes when entering the house to prevent bringing lead-contaminated soil in from outside.
- Prevent children from playing in bare soil; if possible, provide them with sandboxes. Plant grass on areas of bare soil or cover the soil with grass seed, mulch, or wood chips, if possible.
 - Until the bare soil is covered, move play areas away from bare soil and away from the sides of the house. If you have a sandbox, cover the box when not in use to prevent cats from using it as a litter box. That will help protect children from exposure to animal waste.
- Avoid using makeup, containers, cookware, or tableware to store or cook foods or liquids that are not shown to be lead free.
- Remove recalled toys and toy jewelry immediately from children.
- Use only cold water from the tap for drinking, cooking, and making baby formula. Hot water is more likely to contain higher levels of lead. Most of the lead in household water usually comes from the plumbing in your house, not from the local water supply.
- Shower and change clothes after finishing a task that involves working with lead-based products such as stained glass, making bullets, or using a firing range.

WIC Children

- There are 855 infants participating in WIC in Flint.
- We are working with partners at the United Way to ensure that WIC families have access to water filters and bottled water.
- In homes with infants on WIC, if the household has documentation from an official source of unsanitary water supply issues, that family may be eligible to receive ready-to-feed formula. Families should contact WIC to see if they are eligible.
- Each household would have to be looked at on an individual basis.
- WIC cannot cover bottled water.

Flint water action plan – next steps
Communications & Outreach Plan
DRAFT (10/7/2015)

Situation overview:

Water and concerns about lead levels in the city of Flint have been escalating since the city moved to the Flint River as its source of water after switching from DWSD in the spring of 2014 with local plans to move to a new water authority – the Karegnondi Water Authority or KWA – slated to be online in June 2016. Numerous tests have shown the water overall to be safe with non-detect lead levels when leaving Flint water treatment plant and below widely recognized federal action levels (15 ppb) in most surveillance monitoring. However, like many communities across the state and country, Flint's infrastructure is aging and hasn't been updated in decades, facing outdated lead service connections and lead pipes in individual homes. Some water tests have indicated definite elevated lead levels within some homes, neighborhoods and zip codes, with some children in those same areas also experiencing elevated lead levels, causing great concern for all parties.

Race, poverty and local governance (with city's history of emergency managers) have all been raised as issues or allegations, adding to the challenges.

Given all factors involved, it has been deemed prudent and best for public health and restoring confidence in water system to temporarily switch back to Detroit water, now governed by an entity called the Great Lakes Water Authority, as the city's water source until the new KWA is completed. A special technical advisory committee comprised of public health and drinking water experts has concurred and recommended such a path. The cost to do so is estimated at about \$12M over nine months. The state is proposing to cover about half of the cost with the city (\$2M) and community organizations (C.S. Mott Foundation at \$4M) pledging to cover the balance.

Goals/objectives:

- Ensure governor and state focus is on protecting public health and ensuring safe, accessible drinking water and all the action steps that are being taken to help ensure those two priorities.
- Minimize and diffuse finger pointing and tension between all stakeholders.
- Effective, concise communication that makes it clear for both residents and schools what next steps are and that state is committed to doing everything it can to help address situation in partnership and collaboration with city and community leaders.
- Restore confidence in Flint water.
- Convey shared responsibility to address.

Action steps/tools with timeline:

Wednesday, Oct. 7

- Coordinate with MI Depts of Environmental Quality and Health & Human Services
- Coordinate with Mott Foundation
- Find and finalize venue, logistics, establish security plan
 - Confirm live streaming capability and AV details (podium, sound system, mult box, lavalier and hand held mics, etc).
 - Determine visuals and room set up. Current plan is simply U.S., state of MI and city of Flint flags with "Taking Action on Flint Water" podium sign. (See attached).
 - Assure protest area, access and entrance points and plan, attendee list and contingency plans, etc
- Follow up discussions with DWSD, GLWA members (city, Oakland, Wayne & Macomb counties) and Mayor Duggan.
- Coordinate with Flint city communications
- Coordinate with DWSD/GLWA communications
- Coordination/briefing to MDE Superintendent of Schools Brian Whiston and DOC Director Heidi Washington

2 – 4:30 p.m. (TENTATIVE)

- Expanded technical advisory committee meets to discuss and evaluate corrosion control plans as well as potential implications and benefits of switch back to Detroit water.

3:30 p.m.

Governor briefs Senate and House Republican leaders

4:30 p.m. (TENTATIVE – dependent on timing and outcome of technical advisory committee)

- Send media advisory with basic notice of planned 10 a.m. press conference “to make an announcement re: Flint water”
- Scheduling invites Sen. Ananich and Reps. Neely and Phelps to press conference (no specific details yet)

5 p.m.

Touch base conference call with EO, DEQ, DHHS teams to close loops, share all latest information, determine last needed action items.

6 p.m.

- Send draft plan, release and all related materials to Governor and team for review and edit.

Thursday, Oct. 8

8 a.m.

- Team arrives in Flint to set up
- Final edits on all materials due to comms team.
- DEQ Director Wyant briefs Sen. Ananich and Reps. Neely and Phelps on specifics of next steps/plan briefs
- Governor calls Cong. Dale Kildee and briefs him on next steps/plan
- Bill McBride briefs U.S. Sens. Gary Peters & Debbie Stabenow

9 a.m.

- Meeting with Governor, Flint Mayor Walling, DEQ, DHHS, Mott Foundation to finalize details
- DEQ water testing lab and DHHS public health teams contact the Flint schools to share the testing results and next steps on protocol, actions
 - Flint Schools Superintendent Bilal Tawwab
 - Genesee Co. ISD Superintendent
- DHHS Dr. Eden Wells briefs Genesee Co. Health Dept/Health Officer Mark Valacak
- DEQ briefs Genesee Co. Drain Commissioner Jeff Wright
- SBO Director John Roberts contacts Senate and House Appropriations Chairs (Sen. Dave Hildendbrand & Rep. Al Pscholka) re: Detroit water switch and supplemental request
- DEQ Director Wyant and DHHS Director Nick Lyon contact respective budget subcommittee chairs and vice chairs (Sens. Marleau & Green and Reps. Roger Victory & Chris Afendoulis) re: Detroit water switch and supplemental request
- Harvey Hollins/Dennis Muchmore brief/invite other key stakeholders TBD
 - Select group of ministers and pastors
 - Flint Chamber
 - UM Flint
 - United Way
 - Flint Community Foundation

9:45 – 10 a.m.

- Prebriefing to walk through press conference run of show, last Qs, etc.,

10 – 10:30 a.m.

- Press conference kicks off
(SEE RUN OF SHOW/BRIEFING)

10:05 a.m.

- News release goes out; posted to web site
- Social media posts

Qs/issues

Funding positioning – Gov is “asking Legislature,” “committed to finding match”, etc.

Roles of legislators, i.e. Cong. Kildee, Sen. Ananich, Reps. Neely and Phelps

CONFIDENTIAL/DRAFT



STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

RICK SNYDER
GOVERNOR

BRIAN CALLEY
LT. GOVERNOR

CONTACTS:

Sara Wurfel or Dave Murray
Governor's Office: 517-335-6397

Brad Wurfel, 517-284-6713
Department of Environmental Quality

Jennifer Eisner, 517-230-9804
Department of Health and Human Services

FOR IMMEDIATE RELEASE

Thursday, Oct. 8, 2015

Gov. Rick Snyder: Move back to Detroit water provides best protection for public health in Flint

State, Mott Foundation and city form partnership to fund switch

FLINT, Mich. – Flint families and children will be better protected by reconnecting with the Great Lakes Water Authority as the source of the city's drinking water, Gov. Rick Snyder said.

Snyder said Thursday that he will request the state Legislature to provide half, or \$6 million, of the \$12 million needed to reconnect with the authority. The Flint city government will provide \$2 million and the Charles Stewart Mott Foundation will donate \$4 million.

"All Flint residents need clean, safe drinking water," Snyder said. "The technical experts helping the city on its water advisory all agree this move back to the Great Lakes Water Authority provides the best public health protection for children and families. This effort today is the result of people coming together to solve a problem. I appreciate Detroit's willingness to reconnect with Flint, the Mott Foundation's generous donation, and the dedication of all parties to come together to protect Flint families and children."

The Michigan Departments of Environmental Quality and Health and Human Services today also committed an additional \$3.5 million for water filters, free lead testing through the state laboratory for Flint water customers, and hiring additional staff to conduct health exposure monitoring for lead in drinking water.

Flint city leaders requested the state's help to fund the reconnection after a Wednesday meeting of Flint's Technical Advisory Committee. Flint's move to the Great Lakes Water Authority is expected to cost about \$1.3 million per month until the Karegnondi Water Authority is completed next summer.

INSERT MAYOR QUOTE HERE

The move to Detroit water, which is drawn from Lake Huron, carries many public health benefits. As large bodies of water, the Great Lakes are naturally prone to fewer problems from large rain events and other runoff issues that can be present in shallower rivers. Additionally, the Great Lakes Water Authority has already fully optimized its corrosion control, using phosphates to help coat the insides of pipes and prevent lead from leaching into the water.

However, reconnecting with the authority will not completely resolve the city's problem with lead service lines or aging infrastructure. It will take time for pipes in Flint to become coated with the phosphate corrosion control. Additionally, some households in the city could experience lead in their drinking water until all lead pipes and plumbing are replaced.

INSERT MOTT FOUNDATION QUOTE HERE

To best protect public health, Snyder said state and local authorities will continue to carry out steps outlined on Oct. 2 in a comprehensive action plan, including continued testing, the use of faucet filters and providing residents with accurate information about steps to eliminate lead exposure.

Free filters are available for current MDHHS clients at the 125 E. Union St. or 4809 Clio Road MDHHS office locations. For residents who are not currently enrolled in MDHHS assistance programs, free filters are available at the Genesee County Community Action Resource Department offices at 2727 Lippincott and 601 North Saginaw in Flint. Staff will be at all four locations from 9 a.m. to 4 p.m., Monday through Friday, to distribute filters and assist residents who have questions about proper installation. At the Lippincott location only, extended hours will be offered this weekend, including until 7 p.m. on Thursday and Friday and from 10 a.m. to 2 p.m. on Saturday.

Other good practices for residents concerned about lead include turning on the cold water tap and running the water until it's as cold as it will go. Additionally, only use cold water for cooking, drinking and especially mixing baby formula.

School test results released; more investigation planned

The state today also released the first results from its lead screening program in schools and homes. Of 37 total samples taken at 13 buildings, four samples spread over three buildings exceeded the federal action level of 15 parts per billion.

However, this sampling provides only an initial screen, and the state is committing to further testing water and inspecting plumbing at these schools. Until testing is complete, schools are advised to continue using bottled water and filtration as a precaution to protect children.

In addition, free testing is still available for any other Flint school, including daycares and Head Starts. Free testing is also available for any Flint resident.

Additional information, including more detailed lead screening results, is available at www.michigan.gov/flintwater.

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Pages 23-65 redacted

From: Bedan, Morgan (GOV)
Sent: Monday, October 19, 2015 4:08 PM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Agen, Jarrod (GOV); Emmitt, Beth (GOV); Bedan, Morgan (GOV); Utley, Corey (GOV); Dickinson, Sarah (GOV)
Subject: October 20 Daily Briefing and Bill Packet
Attachments: [REDACTED] 151020 Daily Briefing.pdf

Governor,

Attached is your Daily Briefing for October 20. The briefing contains:

- [REDACTED]
Meetings
- [REDACTED]
- [REDACTED]
For Review
 - Flint Water – Pages 30 – 35
 - Action Steps
 - Action Plan Update
- [REDACTED]

Please let us know if you have any questions.

Thank you,
Morgan

Attachment Redacted as Irrelevant

Governor Rick Snyder

October 20, 2015

Daily Briefing

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<div data-bbox="373 684 1234 840" data-label="Text"><h1>Redacted</h1></div>	
<div data-bbox="701 1005 867 1041" data-label="Section-Header"><h3>For Review</h3></div> <div data-bbox="706 1056 865 1092" data-label="Section-Header"><h4>Flint Water</h4></div> <div data-bbox="539 1094 982 1171" data-label="List-Group"><ol style="list-style-type: none">1. Action Steps – Page 302. Action Plan Update – Page 34</div>	<div data-bbox="1323 1094 1430 1129" data-label="Text"><p>30 – 35</p></div>
<div data-bbox="409 1249 1266 1402" data-label="Text"><h1>Redacted</h1></div>	

Pages 2-29 redacted

City of Flint Water Action Steps for Week of October 19-23

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
1.	Update 2004 letter to EPA	DEQ	Dana DeBruyn	
2.	Schedule Flint Water Treatment Plant tour	DEQ and Flint	George Krisztian	To be scheduled for week of 10/19/15; waiting on confirmation from Flint
3.	Figure out number of samples from schools and child care facilities	DEQ	Jim Sygo Pat Cook Steve Busch	
4.	Conduct After Action Plan	DEQ	George Krisztian	Initial meeting to be scheduled for week of 10/19/15
5.	Introduce legislative changes to Part 54 of NREPA – Drinking Water Revolving Loan Fund	DEQ, Treasury, and EPA	Maggie Pallone George Krisztian Sonya Butler	
6.	After Action Review Panel	DEQ	Madhu Anderson George Krisztian Karen Tommasulo	
7.	Staff hiring plan	DEQ	Jim Sygo Maggie Pallone George Krisztian	
8.	\$1 million for DEQ Laboratory billing code	DEQ	Maggie Pallone George Krisztian	
9.	Finalize fiscal year 2017 budget request	DEQ	Maggie Pallone George Krisztian	

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
10.	Develop letter to schools	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	
11.	Finalize sampling protocol	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	
12.	Confirm school sampling logistics	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	
13.	Meeting(s) with school staff/management	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	
14.	Complete Non-Transient Non-Community Water Supply letter	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	
15.	Meet with DHHS and discuss all lead education material for schools	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	
16.	ODWMA staff observe a DLARA plumbing assessment	DEQ and DLARA	Jim Sygo Steve Busch Pat Cook Mike Prysby	

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
17.	Develop sample form and chain of custody document	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	
18.	Provide Director Wyant with revised Part 54 language	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	
19.	Review corrosion control treatment plan and get any EPA comments	DEQ and EPA	Jim Sygo Steve Busch Pat Cook Mike Prysby	
20.	Review construction permit application and issue construction permit for phosphate equipment	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	
21.	Review Standby Operation of Flint Water Treatment Plant with city of Flint	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	
22.	Provide city of Flint updated monitoring schedule based on Detroit Water and Sewerage Department (DWSD)/Great Lakes Water Authority (GLWA) service	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	
23.	Contact city of Flint and Genesee County daily for DWSD connection status updates	DEQ, Flint, and Genesee County	Jim Sygo Steve Busch Pat Cook Mike Prysby	

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
24.	Work with Karegnondi Water Authority (KWA) and other agencies to address bottleneck issues	DEQ and KWA	Jim Sygo Steve Busch Pat Cook Mike Prysby	
25.	Verify city of Flint distribution operations under DWSD/GLWA service	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	
26.	Contact city of Flint for Service Line Record status update and obtain a copy of the records to date	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	
27.	Provide DHHS with any available cross-reference information	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	
28.	Develop childcare facility guidance or review DHHS related materials	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	

Flint Drinking Water Action Plan Update

FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGE

- The Flint pipeline is ready and has been placed into service. Water from the Great Lakes Water Authority began flowing on Friday, October 16.
- Continued working with Karegnondi Water Authority toward addressing the construction bottlenecks.
- The corrosion control proposal was received electronically from Lockwood, Andrews & Newnam, Inc. (LAN), Flint's consultant, on October 16 (without 399 application). Staff is reviewing the proposal and preparing comments. The proposal was forwarded to EPA for their review, with comments requested by October 19. EPA acknowledged receipt of the proposal. On October 16 LAN hand delivered a full-sized set of the proposal, along with a signed permit application.
- The city of Flint provided information during the initial coordination meeting that approximately 25% of the index card conversion has taken place. The cards have been given to the University of Michigan-Flint for entry into GIS. The city of Flint has indicated that this is a slow process, and they are looking at ways to speed up the process. This is a manually intensive process, and they lack the resources to accomplish the task faster.
- The city of Flint will provide a link to the GIS mapping, and Howard Croft of the city of Flint gave a short presentation on how to use the GIS mapping program.

Additional Actions:

- George Krisztian and Karen Tommasulo represented the DEQ in the initial weekly coordination meeting with the city of Flint on October 16. Present were representatives from DEQ, DLARA, DHHS, and the city of Flint. Each partner provided a brief synopsis of what their respective group had done the past week, and there was discussion on action steps for the following week. Additional discussion included presenting a unified message, creation of a homeowners water sampling instructions work group, and inclusion of the Genesee County Health Department (GCHD) for the weekly coordination meetings.
- George Krisztian, Karen Tommasulo, and Liane Shekter Smith represented the DEQ in an October 16 meeting with the Flint Community Schools Superintendent, Bilal Tawwab. Also present were representatives from DLARA, DHHS, and the Principals from the first three schools that are going through the plumbing evaluation protocol as well as additional staff from Flint Community Schools. The DEQ provided an overview of the protocol that includes a plumbing

FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGE

Flint Drinking Water Action Plan Update

Page 2

evaluation, subsequent sampling of all faucets and drinking fountains that are used for consumptive purposes, analysis of the samples, consolidation of the data, and then review of the data from a health-based exposure perspective. There was also discussion that the GCHD would be asked to conduct the sampling so that we ensure all aspects of the data are of the highest possible quality. There was also discussion of the need to ensure that the Superintendent's office receives the data along with comments on the data before the data is made public. It was agreed that all partners (DEQ, DLARA, DHHS, the Superintendent, the city of Flint, and GCHD) would all be provided the data along with context before the data was released to the public. It was also agreed that there needed to be coordination with respect to who would be releasing the data to the public.

- George Krisztian, Karen Tommasulo, and Liane Shekter Smith met on October 16 with James Henry of the GCHD. The purpose of the meeting was to:
 - Invite the GCHD to attend the weekly coordination meeting with the city of Flint.
 - Ask if the GCHD would be willing to take the samples for the school plumbing evaluations.
 - Invite Mr. Henry to be part of the homeowners water sampling instructions work group.
 - The GCHD provided a positive response on all three subjects but did indicate that they would need funding to assist with the sampling. GCHD was asked to submit a request to the DEQ so that the question of funding could be addressed formally.

Prepared by: George Krisztian, Flint Action Plan Coordinator
Laboratory Director
Department of Environmental Quality
Telephone: 517-284-6719
Cell: 517-204-0381
October 19, 2015

Pages 36-66 redacted

From: Bedan, Morgan (GOV)
Sent: Wednesday, October 21, 2015 5:24 PM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Emmitt, Beth (GOV); Ager, Jarrod (GOV); Bedan, Morgan (GOV); Dickinson, Sarah (GOV); Utley, Corey (GOV)
Subject: October 22 Daily Briefing
Attachments: 151022 Daily Briefing.pdf

Governor,

Attached is your Daily Briefing for October 22. The briefing contains:

- **Redacted**
- Events**
- **Redacted**
- **Redacted**
- **Redacted**
- Meetings**
- **Redacted**
- For review**
- Flint Water – Pages 32 – 37
 - Updated Action Steps
 - Updated Action Plan
- **Redacted**

Please let us know if you have any questions.

Thank you,
Morgan

Governor Rick Snyder
October 22, 2015
Daily Briefing

Contents

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Redacted

For Review

Flint Water

1. Updated Action Steps – Page 32
2. Updated Action Plan – Page 36

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Redacted

Redacted pages 1-31; 38

City of Flint Water Action Steps for Week of October 19-23

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
1.	Update 2004 letter to EPA	DEQ	Dana DeBruyn	This Action Step has been incorporated as part of the After Action Plan (Action Step #4)
2.	Schedule Flint Water Treatment Plant tour	DEQ and Flint	George Krisztian	Scheduled for 10/23/15 at 11:30 a.m.
3.	Figure out number of samples from schools and child care facilities	DEQ	Jim Sygo Pat Cook Steve Busch	1,300 samples (13 schools and 100 samples per school)
4.	Conduct After Action Plan	DEQ	George Krisztian	Initial meeting to be scheduled for week of 10/19/15
5.	Introduce legislative changes to Part 54 of NREPA – Drinking Water Revolving Loan Fund	DEQ, Treasury, and EPA	Maggie Pallone George Krisztian Sonya Butler	Draft language submitted to Maggie Pallone for review
6.	After Action Review Panel	DEQ	Madhu Anderson George Krisztian Karen Tommasulo	
7.	Staff hiring plan	DEQ	Jim Sygo Maggie Pallone George Krisztian	
8.	\$1 million for DEQ Laboratory billing code	DEQ	Maggie Pallone George Krisztian	
9.	Finalize fiscal year 2017 budget request	DEQ	Maggie Pallone George Krisztian	

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
10.	Develop letter to schools	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	This Action Step has been incorporated into Action Step #13
11.	Finalize sampling protocol	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	Revised draft sampling protocol shared with DLARA, DHHS, EPA, and Genesee County Health Department on 10/19/15 for comment
12.	Confirm school sampling logistics	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	
13.	Meeting(s) with school staff/management	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	A meeting with the 10 remaining schools is tentatively scheduled for the week of 10/26/15
14.	Meet with DHHS and discuss all lead education material for schools	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	DEQ has contacted DHHS to schedule a meeting
15.	ODWMA staff observe a DLARA plumbing assessment	DEQ and DLARA	Steve Busch Pat Cook Mike Prysby	Initial plumbing assessment is scheduled for 10/23/15; sampling to occur on 10/24/15
16.	Develop sample form and chain of custody document	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	DEQ Laboratory has created a fillable PDF form for use in the school sampling protocol

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
17.	Review corrosion control treatment plan and get any EPA comments	DEQ and EPA	Jim Sygo Steve Busch Pat Cook Mike Prysby	Conference call with EPA held on 10/20/15 to discuss comments
18.	Review construction permit application and issue construction permit for phosphate equipment	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	Construction permit is in process
19.	Review Standby Operation of Flint Water Treatment Plant with city of Flint	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	
20.	Provide city of Flint updated monitoring schedule based on Detroit Water and Sewerage Department (DWSD)/Great Lakes Water Authority (GLWA) service	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	
21.	Contact city of Flint and Genesee County Health Department daily for DWSD connection status updates	DEQ, Flint, and Genesee County Health Department	Jim Sygo Steve Busch Pat Cook Mike Prysby	Switch to DWSD completed on 10/16/15; city of Flint will let DEQ know if they run into any unforeseen issues
22.	Work with Karegnondi Water Authority (KWA) and other agencies to address bottleneck issues	DEQ and KWA	Jim Sygo Steve Busch Pat Cook Mike Prysby	
23.	Verify city of Flint distribution operations under DWSD/GLWA service	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
24.	Contact city of Flint for Service Line Record status update and obtain a copy of the records to date	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	
25.	Provide DHHS with any available cross-reference information	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	
26.	Develop childcare facility guidance or review DHHS related materials	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	DEQ has contacted DHHS to schedule a meeting

Flint Drinking Water Action Plan Update

FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGE

- Action Step #1 has been incorporated into the After Action Plan (Action Step #4).
- It was determined that the information in Action Step #10 would be communicated better in person and has, therefore, been incorporated into Action Step #13.
- DEQ staff has tentatively identify the week of October 26 to meet with representatives from the remaining 10 locations in the Flint Community Schools who were not present at the October 16 meeting at the Superintendent's office.
- DEQ staff has contacted DHHS to request a meeting regarding lead education materials for schools.
- The first plumbing assessment has been scheduled for Friday, October 23. The subsequent sampling of the first facility has been scheduled for Saturday, October 24. This decision was made jointly among DEQ, DLARA, and DHHS in an effort to ensure that sampling staff could properly evaluate the sampling protocol without the added pressure of completing the sampling process before students arrived on-site.
- The DEQ Laboratory has created a fillable PDF form for use in the school sampling protocol. This form was created to streamline the information gathering process. The form was submitted for review by staff in DEQ, DHHS, and DLARA, and comments were subsequently incorporated. The form is now complete and ready for use.
- The corrosion control treatment plan (CCTP) and permit application were received late last Friday, October 16, and were reviewed. Our review comments were provided to Flint's consultant [Lockwood, Andrews & Newnam, Inc. (LAN)]. The CCTP was forwarded to EPA on October 16, and their comments were received on October 19. A conference call was held on October 20 between our staff and Darren Lytle and Michael Schock of EPA to discuss the main comments (EPA's and DEQ's) to confirm that both agencies concur with the design and proposed corrosion control dosages. We are currently preparing a revised set of comments, based on our discussion with EPA. The revised comments will be sent to EPA to confirm concurrence before sending to LAN.
- An Act 399 permit will be issued to the city of Flint to install corrosion control treatment following receipt of revised plans, specs, and – as needed – a permit application that addresses the revised review comments.
- DEQ staff has contacted DHHS to schedule a meeting to discuss the development of childcare facility guidance. This guidance will be similar in nature to what is being done in schools but will be tailored to address the specific

FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGE

Flint Drinking Water Action Plan Update

Page 2

concerns with younger children and the smaller plumbing infrastructure of typical childcare facilities.

Additional Actions:

- Standing meetings with the city of Flint have been scheduled for Fridays at 10:00 a.m. These meetings have been scheduled through December 18. In addition, a tour of the Flint Water Treatment Plant has been scheduled for October 23. The DEQ be taking video footage of the tour, showing the coordinated efforts being taken by the city of Flint, DEQ, DHHS, and DLARA. Genesee County Health Department (GCHD) has been invited to the Friday meetings as well as the tour, and GCHD is in the process of determining if they can participate.
- A meeting was held between staff from the DEQ, DLARA, and DHHS to discuss details regarding the flow and coordination of efforts for the school sampling protocol. It was mutually agreed that it was best to only do one school at first so that we can ensure that the process runs smoothly from partner to partner. The first plumbing evaluation will be done at Freeman Elementary School on Friday, October 23. Steve Busch of the DEQ will accompany staff from DLARA to answer questions they might have during their plumbing evaluations. The subsequent water sampling effort will take place the next day, on Saturday, October 24. It was agreed that taking the samples on Saturday would allow staff to be able to evaluate the sampling process without the added pressure of ensuring that the sampling was complete before students arrived at the building.
- DEQ Director Dan Wyant, Jim Sygo, George Krisztian, and Karen Tommasulo held a conference call with Dr. Susan Hedman, EPA's Regional Administrator, and other representatives from EPA to discuss the EPA's formation of the Flint Safe Drinking Water Task Force. The purpose of the Task Force is to provide one-stop shopping for technical assistance for the optimization of corrosion controls for the switch from Detroit Water and Sewerage Department to the Karegnondi Water Authority. EPA requested a point of contact for the DEQ, and Director Wyant suggested Chief Deputy Director Jim Sygo. EPA agreed that this was an appropriate choice and requested a formal letter indicating Chief Deputy Director Sygo as the point of contact.
- DHHS has indicated that the total water filter/pitcher distribution for the period of October 6 through October 20 was 9,373 units.

Prepared by: George Krisztian, Flint Action Plan Coordinator
Laboratory Director
Department of Environmental Quality
Telephone: 517-284-6719

October 21, 2015

Redacted Pages 38

Morgan

Attachment Redacted as Irrelevant

Attachment Redacted as Irrelevant

Redacted

Flint Water Update

93 – 103

Redacted

Redacted pages 2-7

October 25, 2015 Continued

Sunday

October 26, 2015

Monday

All Day

All Day

- Flint After Action (Baird/Hollins)

Redacted pages 9-92

City of Flint Water Action Steps for Week of October 19-23

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
1.	Update 2004 letter to EPA	DEQ	Dana DeBruyn	This Action Step has been incorporated as part of the After Action Plan (Action Step #4)
2.	Schedule Flint Water Treatment Plant tour	DEQ and Flint	George Krisztian	Scheduled for 10/23/15 at 11:30 a.m.
3.	Figure out number of samples from schools and child care facilities	DEQ	Jim Sygo Pat Cook Steve Busch	1,300 samples (13 schools and 100 samples per school)
4.	Conduct After Action Plan	DEQ	George Krisztian	Initial meeting held 10/22/15
5.	Introduce legislative changes to Part 54 of NREPA – Drinking Water Revolving Loan Fund	DEQ, Treasury, and EPA	Maggie Pallone George Krisztian Sonya Butler	Draft language submitted to Maggie Pallone for review
6.	After Action Review Panel	DEQ	Madhu Anderson George Krisztian Karen Tommasulo	Panel created and press release issued on 10/21/15
7.	Staff hiring plan	DEQ	Jim Sygo Maggie Pallone George Krisztian	
8.	\$1 million for DEQ Laboratory billing code	DEQ	Maggie Pallone George Krisztian	Billing codes created on 10/21/15
9.	Finalize fiscal year 2017 budget request	DEQ	Maggie Pallone George Krisztian	

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
10.	Develop letter to schools	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	This Action Step has been incorporated into Action Step #13
11.	Finalize sampling protocol	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	Held conference call on 10/22/15 with EPA's Flint Safe Drinking Water Task Force to clarify questions on sampling protocol
12.	Confirm school sampling logistics	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	Logistics have been finalized for the initial sampling scheduled for 10/24/15
13.	Meeting(s) with school staff/management	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	A meeting with the 10 remaining schools is tentatively scheduled for the week of 10/26/15
14.	Meet with DHHS and discuss all lead education material for schools	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	DEQ has contacted DHHS to schedule a meeting
15.	ODWMA staff observe a DLARA plumbing assessment	DEQ and DLARA	Steve Busch Pat Cook Mike Prysby	Initial plumbing assessment is scheduled for 10/23/15; sampling to occur on 10/24/15
16.	Develop sample form and chain of custody document	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	DEQ Laboratory has created a fillable PDF form for use in the school sampling protocol

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
17.	Review corrosion control treatment plan and get any EPA comments	DEQ and EPA	Jim Sygo Steve Busch Pat Cook Mike Prysby	Summary of Flint's corrosion control plan submitted to EPA
18.	Review construction permit application and issue construction permit for phosphate equipment	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	Construction permit is in process; proper phosphate dosages confirmed, based on incoming residual to Flint
19.	Review Standby Operation of Flint Water Treatment Plant with city of Flint	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	
20.	Provide city of Flint updated monitoring schedule based on Detroit Water and Sewerage Department (DWSD)/Great Lakes Water Authority (GLWA) service	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	Updated monitoring schedule has been completed and signed
21.	Contact city of Flint and Genesee County Health Department daily for DWSD connection status updates	DEQ, Flint, and Genesee County Health Department	Jim Sygo Steve Busch Pat Cook Mike Prysby	Switch to DWSD completed on 10/16/15; city of Flint will let DEQ know if they run into any unforeseen issues
22.	Work with Karegnondi Water Authority (KWA) and other agencies to address bottleneck issues	DEQ and KWA	Jim Sygo Steve Busch Pat Cook Mike Prysby	E-mail sent to Genesee County regarding concerns over soil erosion control measures
23.	Verify city of Flint distribution operations under DWSD/GLWA service	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
24.	Contact city of Flint for Service Line Record status update and obtain a copy of the records to date	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	
25.	Provide DHHS with any available cross-reference information	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	
26.	Develop childcare facility guidance or review DHHS related materials	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	DEQ has contacted DHHS to schedule a meeting

Flint Drinking Water Action Plan Update

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- The initial After Action Plan meeting was held on October 22. Topics covered were:
 - The discussion of the roles of each team member
 - The scope of the After Action Plan
 - The time frame in which the After Action Plan is to be completed

The main components of the After Action Plan are:

- An After Action Review Summary time line that details critical events in chronological order, asking key questions, and providing explanations for actions taken
 - Implementation of the Governor's 10-point Action Plan
 - An evaluation of if DEQ made mistakes and, if so, what they were
 - An evaluation of lessons learned, defining what we can do better/differently in the future
- Participated on an October 22 conference call with the EPA's Flint Safe Drinking Water Task Force to discuss proposed sampling protocol and the comments received from EPA. Agreed to reconvene a call next week to discuss how the pilot sampling effort goes, what went well, what might need to be adjusted, etc.
 - A summary of our discussion with EPA regarding Flint's corrosion control plan was provided to Darren Lytle and Michael Schock of EPA. The summary included confirmation of the actual phosphate dosage from the Detroit Lake Huron Water Treatment Plant.
 - Proper dosages are now confirmed, based on incoming phosphate residual at Flint. A product cut-sheet to confirm NSF approval and maximum dose is to be provided shortly. Flint's consultant (Lockwood, Andrews & Newnam, Inc.) will also confirm proper sizing of the feed pumps. Anticipate receiving this information on October 23, which will facilitate issuance of the Act 399 permit.
 - An updated monitoring schedule is completed and signed. The schedule will be mailed to the city of Flint on October 23. A copy of the updated monitoring schedule is attached.
 - An e-mail was sent to John O'Brien of Genesee County informing him of our concern over improper soil erosion control measures at the pipeline job site and what corrective measures were being taken to avoid a potential halt of construction by the Lapeer County Road Commission. Genesee County has not responded thus far.

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Flint Drinking Water Action Plan Update

Page 2

Additional Actions:

- A conference call was held among representatives from DEQ/DLARA/DHHS to further discuss ways to ensure that the efforts of all three agencies were coordinated. It was determined that weekly calls providing updates to the group as a whole would be beneficial. DEQ also agreed to copy DLARA and DHHS on their daily update report to the Governor's office.
- Flint Action Plan Coordinator George Krisztian contacted Flint Community Schools Superintendent Bilal Tawwab to obtain permission to allow the *Detroit Free Press* to take footage of the water sampling process to be conducted at Freeman Elementary School on Saturday, October 24. Superintendent Tawwab gave his permission, stating that it would not be an issue since there would not be any students present.
- DLARA completed additional review of documents at the Flint repository to assist with the sequencing at the schools.
- Flint is able to provide DLARA plumbing inspectors with on-site workspace; additional documentation gives greater guidance on locations for plumbing fixtures.
- DLARA received confirmation from DEQ that bottles and necessary equipment will be available for sampling start on Saturday, October 24.

Attachment (Updated Monitoring Schedule)

Prepared by: George Krisztian, Flint Action Plan Coordinator
Laboratory Director
Department of Environmental Quality
Telephone: 517-284-6719
Cell:
October 23, 2015



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING DISTRICT OFFICE



DAN WYANT
DIRECTOR

October 22, 2015

Mr. Brent Wright
City Of Flint – D.P.W
Flint Water Plant
4500 North Dort Highway
Flint, Michigan 48505

WSSN: 02310

Dear Mr. Wright:

SUBJECT: Revised Drinking Water Monitoring Schedule – 2015
Monthly Operation Reports
Siting Plans and Record Keeping

Monitoring Schedule:

Enclosed is your revised Drinking Water Monitoring Schedule for remainder of calendar year 2015 outlining the minimum requirements for your public water supply. Your schedule has been revised based on the City's change in source of its drinking water from the treatment of the Flint River utilizing the City's Water Treatment Plant to the Great Lakes Water Authority/Detroit Water and Sewerage Department. Collect samples early in the monitoring period of the year indicated on the schedule. If you use a private laboratory you are required to report the results to us within the first ten days of the month following the month that you received the results. To receive credit for monitoring, the "**WSSN**" (water supply serial number), the "**Site Code**," and "**County**" must appear on the sample result. Bottles will NOT be mailed automatically. If you use the Department of Environmental Quality Laboratory, you can order bottles by calling 517-335-8184. Be certain of the United States Environmental Protection Agency sampling and analysis method requirements for hold times.

Monthly Operation Report (MOR) Requirements:

The City shall submit MORs as required under Administrative Rule 1502 (R325.11502). Please note required coliform bacteria monitoring results and associated chlorine residual monitoring shall be submitted to the department within the first 10 days following the end of the required monthly monitoring period. In addition, monthly operation reports shall be submitted to the department during the month following the month for which the monthly operation report was prepared.

Disinfection By-Product Sample Siting Plans:

The City of Flint shall continue routine standard monitoring of disinfection by-products, according to your Disinfection & Disinfectants By-Product (DDBP) plan which identifies 8 sites for routine quarterly monitoring.

Lead and Copper Monitoring Requirements and Site Sample Pool

Please note distribution system monitoring for water quality parameters (WQPs) continues at the expanded set of 25 sites per quarter. Lead and copper monitoring in accordance with the requirements of Administrative Rule 710a (R325.10710a) is being required for the 6 month period between January 1, 2016 and June 30, 2016. The City must ensure its sample site pool is large enough to collect the number of lead and copper tap samples required. All sites from which first draw samples are collected shall be selected from the pool of targeted sampling sites.

The City shall also conduct additional operational monitoring to demonstrate the effectiveness of corrosion control treatment.

Record Keeping:

The City shall maintain all monitoring records in accordance with all applicable requirements under the Administrative Rules including Rule 720a (R325.10720a), Rule 1506 (R325.11506), and Rule 1507 (R325.11507).

The Michigan Safe Drinking Water Act requires certain reports to be submitted to this office each year. Please remember that cross connection reports and annual pumpage reports are due by March 31, and the **Consumer Confidence Report** is due by July 1.

Also enclosed is the document "2015 Monitoring and Reporting Requirements." This provides additional details about monitoring and reporting requirements. If you have any questions, please contact us using the information below.



Michael F. Prysby, P.E., District Engineer
Lansing District Office
Office of Drinking Water and
Municipal Assistance
517-290-8817



Adam Rosenthal, EQA
Lansing District Office
Office of Drinking Water and
Municipal Assistance
517-284-6644

Enclosure

cc/encl: Mr. Robert Bisnick, City Of Flint
Genesee County Health Department

2015 Monitoring Schedule

FLINT, CITY OF

WSSN: 02310

Collect samples early in the monitoring period. This schedule reflects your expected routine monitoring and is subject to change. To receive credit for monitoring, include the **WSSN, Site Code, and County** on your request for analysis form. Collect Bacteriological and Automated Partial Chemistry samples close to the shipping time and send overnight delivery. Send all sample results to your Department of Environmental Quality (DEQ) district office unless you use the DEQ laboratory. Test codes, sample units, and costs are listed to help you complete the DEQ laboratory form. Prices are subject to change without notice. The DEQ laboratory is closed on state holidays.

Location: Distribution System

Sample Type	Collect Samples According to the ...	# Samples/ Frequency	Collect	Site Code	Fee	Unit Number	Test Code
Bacteriological – coliforms	TCR Sampling Site Plan	100/Monthly	Monthly	DIST	\$16.00	30	BPTC
Chlorine Residual	DBP Monitoring Plan	If serving chlorinated water, measure the residual disinfectant level at the same point and at the same time as the bacteriological sample and report the average to the DEQ.					
Total Trihalomethanes	DBP Monitoring Plan	8/3 months	During February, May, August and November 2015	See DBP Monitoring Plan	\$65.00	36VO	CXTM
Haloacetic Acids		8/3 months	During February, May, August and November 2015	See DBP Monitoring Plan	\$130.00	36HA	CXHA
Water Quality Parameters	Representative Sites	25/Quarterly	Quarterly	DIST	Various	Various	Various
Lead Copper for Corrosion Control	Lead and Copper Sampling Pool	60/6 months	Between 1/1 and 6/30/2016	DIST	\$26.00	36CC	CCUB

Community Water Supply 2015 Monitoring and Reporting Requirements

Please Monitor Early: Collect samples early in the monitoring period (month, quarter, year) of the year indicated on the schedule. Bacteriological and partial chemistry samples should be collected close to the shipping time and sent overnight delivery to assure sample holding times are not exceeded (30 and 48 hour hold times respectively). We also recommend avoiding mailing bacteriological samples immediately preceding or following a holiday because samples tend to exceed the 30 hour hold time. When this occurs, a repeat sample must be collected as soon as possible upon notification.

If you use a private laboratory please report the results to us within the first ten days of the month following the month that you received the results. A list of certified laboratories is available on request. If samples are not collected as indicated on your monitoring schedule, you will incur a monitoring violation and possibly a fine. For information on the fines policy, visit <http://michigan.gov/deqwater>. Click on Drinking Water, Community Water Supply, and Administrative Fines (under Laws and Rules).

To receive credit for monitoring, you must include the "**WSSN**" (water supply serial number), the "**Site Code**," and the "**County**" when you submit samples for analysis. Site codes are listed on your monitoring schedule.

Special Instructions If You Use The DEQ Laboratory: Bottles will NOT be mailed automatically. To order bottles, call the DEQ Laboratory at 517-335-8184 or download the form EQP 2301 *Requisition for Water Sample Units* from www.michigan.gov/deq. Click on Key Topics, Laboratory Services, Drinking Water, Obtaining The Necessary Sampling Units, and 'test list'. Please note that the DEQ laboratory is closed on most state holidays. The DEQ laboratory prices are subject to change without notice.

Special Instructions For Automated Partial Chemistry, VOC and TTHM Samples: These sample bottles must be cooled and preserved during shipment to the laboratory. If you use the DEQ laboratory, you will receive the ice pack, acid dropper (if necessary) and small cooler when you request the bottles. Samples must be preserved correctly to be used for compliance purposes. To avoid resampling follow instructions contained with the sample bottle. If you would like more information, contact the DEQ lab, at 517-335-8184, or contact this office.

Cyanide: Previously, supplies that chlorinated the water were waived from monitoring for cyanide. The U.S. EPA now requires all supplies to sample the entry point for cyanide.

UCMR3 Monitoring: You may have monitoring requirements in 2015 under the third Unregulated Contaminant Monitoring Rule (UCMR3). The U.S. EPA will contact you directly if your water supply is required to monitor in 2015. A list of laboratories certified to analyze the samples collected for UCMR3 is available at <http://water.epa.gov/lawsregs/rulesregs/sdwa/ucmr/ucmr3/upload/lablist.pdf>. Contact the U.S. EPA with questions.

Reminder if Lead and Copper Monitoring Due This Year: Provide individual lead tap results to people who receive water from sites that you sampled, even if lead was not detected, within 30 days of learning the results. Send us a certification that you met all the delivery requirements along with a sample copy of the customer notice within 3 months after the end of the monitoring period. Water supplies that failed to distribute the Consumer Notice of Lead Results must include the following statement in their CCR, "During the year, we failed to provide lead results to persons served at the sites that were tested as required by the Lead and Copper Rule." To download the *Lead and Copper Report and Consumer Notice of Lead Result Certificate* in Microsoft Word or PDF format, visit www.michigan.gov/deqwater. Click on Drinking Water, Community Water Supply, and Reporting Forms (under Manuals, Forms & Brochures).

Annual Reports: These reports are due to this office each year.

- The **Cross Connection Report**, due by March 31, describes the status of your local cross connection control program. Manufactured housing communities are exempt from this requirements until 2016.

Each year, water supplies must submit this report, even if a formal program has not been implemented. If cross connections do not exist in your water system, indicate so on the report. Download the Cross Connection Report form from <http://michigan.gov/deqwater>. Click on Drinking Water, Community Water Supply, Reporting Forms (under Manuals, Forms & Brochures). Instructions are included with the form.

- The **Annual Pumpage/Usage Report**, due by March 31, is required of water supplies that do not submit monthly operation reports.

This summary of water pumpage and water use must be submitted by each water supply that does not submit a monthly operation report. To manage our natural resources, pumpage data are compiled to determine water use demands in Michigan. Download the Annual Pumpage/Usage Report form from <http://michigan.gov/deqwater>. Click on Drinking Water, Community Water Supply, Reporting Forms (under Manuals, Forms & Brochures). Please be sure to indicate the appropriate units on the report (e.g. million gallons or gallons).

- The **Consumer Confidence Report**, due by July 1 to your customers, to your local health department and to this office, describes the quality of the water and characterizes the risks, if any, from exposure to contaminants detected..

Electronic delivery methods may be used to distribute the CCR to bill-paying customers, provided the method is direct. A paper copy must be delivered to bill-paying customers who request it or known to be unable to receive the CCR electronically. For more information on e-delivery, visit www.michigan.gov/deqwater. Click on Drinking Water, Community Water Supply, Consumer Confidence Report Rule (under Laws and Rules).

Redacted pages 104-118

From: Bedan, Morgan (GOV)
Sent: Monday, October 26, 2015 4:00 PM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Agen, Jarrod (GOV); Emmitt, Beth (GOV); Bedan, Morgan (GOV); Utley, Corey (GOV); Dickinson, Sarah (GOV)
Subject: October 27 Daily Briefing
Attachments: 151027 Daily Briefing.pdf

Governor,

Attached is your Daily Briefing for October 27. The briefing contains:

- **Redacted**
- **Events**
- **Redacted**
- **Meetings**
- **Redacted**
- **For Review**
 - Flint Water – Pages 42 – 49
 - Updated Action Steps
 - Updated Action Plan
 - MDHHS Update
 - **Redacted**

Please let us know if you have any questions.

Thank you,
Morgan

Governor Rick Snyder
October 27, 2015
Daily Briefing

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For Review	
Flint Water 1. Updated Action Steps – Page 42 2. Updated Action Plan – Page 46 3. MDHHS Update – Page 48	42 – 49

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City of Flint Water Action Steps for Week of October 19-23

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
1.	Update 2004 letter to EPA	DEQ	Dana DeBruyn	This Action Step has been incorporated as part of the After Action Plan (Action Step #4)
2.	Schedule Flint Water Treatment Plant tour	DEQ and Flint	George Krisztian	Scheduled for 10/23/15 at 11:30 a.m.
3.	Figure out number of samples from schools and child care facilities	DEQ	Jim Sygo Pat Cook Steve Busch	1,300 samples (13 schools and 100 samples per school)
4.	Conduct After Action Plan	DEQ	George Krisztian	Initial meeting held 10/22/15
5.	Introduce legislative changes to Part 54 of NREPA – Drinking Water Revolving Loan Fund	DEQ, Treasury, and EPA	Maggie Pallone George Krisztian Sonya Butler	Draft language submitted to Maggie Pallone for review
6.	After Action Review Panel	DEQ	Madhu Anderson George Krisztian Karen Tommasulo	Panel created and press release issued on 10/21/15
7.	Staff hiring plan	DEQ	Jim Sygo Maggie Pallone George Krisztian	
8.	\$1 million for DEQ Laboratory billing code	DEQ	Maggie Pallone George Krisztian	Billing codes created on 10/21/15
9.	Finalize fiscal year 2017 budget request	DEQ	Maggie Pallone George Krisztian	

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
10.	Develop letter to schools	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	This Action Step has been incorporated into Action Step #13
11.	Finalize sampling protocol	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	Sampling protocol was revised to include comments by EPA
12.	Confirm school sampling logistics	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	Logistics have been finalized for the initial sampling scheduled for 10/24/15
13.	Meeting(s) with school staff/management	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	A meeting with the 10 remaining schools is tentatively scheduled for the week of 10/26/15
14.	Meet with DHHS and discuss all lead education material for schools	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	DEQ has contacted DHHS to schedule a meeting
15.	ODWMA staff observe a DLARA plumbing assessment	DEQ and DLARA	Steve Busch Pat Cook Mike Prysby	DEQ staff observed the DLARA plumbing assessment of Freeman Elementary School on 10/23/15
16.	Develop sample form and chain of custody document	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	DEQ Laboratory has created a fillable PDF form for use in the school sampling protocol

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
17.	Review corrosion control treatment plan and get any EPA comments	DEQ and EPA	Jim Sygo Steve Busch Pat Cook Mike Prysby	Summary of Flint's corrosion control plan submitted to EPA
18.	Review construction permit application and issue construction permit for phosphate equipment	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	Additional discussions are in progress with city of Flint
19.	Review Standby Operation of Flint Water Treatment Plant with city of Flint	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	Comments by DEQ to city of Flint have been provided
20.	Provide city of Flint updated monitoring schedule based on Detroit Water and Sewerage Department (DWSD)/Great Lakes Water Authority (GLWA) service	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	Updated monitoring schedule has been completed and signed
21.	Contact city of Flint and Genesee County Health Department daily for DWSD connection status updates	DEQ, Flint, and Genesee County Health Department	Jim Sygo Steve Busch Pat Cook Mike Prysby	Switch to DWSD completed on 10/16/15; city of Flint will let DEQ know if they run into any unforeseen issues
22.	Work with Karegnondi Water Authority (KWA) and other agencies to address bottleneck issues	DEQ and KWA	Jim Sygo Steve Busch Pat Cook Mike Prysby	Issues regarding soil erosion controls during construction are being addressed
23.	Verify city of Flint distribution operations under DWSD/GLWA service	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	The switch back to Detroit water has been smooth so far

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
24.	Contact city of Flint for Service Line Record status update and obtain a copy of the records to date	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	
25.	Provide DHHS with any available cross-reference information	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	
26.	Develop childcare facility guidance or review DHHS related materials	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	DEQ has contacted DHHS to schedule a meeting

Flint Drinking Water Action Plan Update

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- The sampling protocol was revised to address comments received on October 22 from EPA's Flint Safe Drinking Water Task Force.
- Staff assisted DLARA in conducting a plumbing assessment at Freeman Elementary School. Actions were taken to prepare for sampling to be conducted on Saturday, October 24.
- The information requested by the DEQ was not received on October 23 from Flint's consultant, Lockwood, Andrews & Newnam, Inc. (LAN); thus, the construction permit for phosphate equipment was not issued. DEQ staff discussed with Flint Water Treatment Plant operator Brent Wright and Utilities Superintendent Michael Glasgow. Brent confirmed that he needs to provide some of the information regarding the phosphate product to LAN.
- DEQ staff discussed with Michael Glasgow and Brent Wright the need for quarterly test runs and monthly operation reporting details while the Flint Water Treatment Plant is in standby mode. Also included the need to report phosphate dosages and phosphate residuals (plant tap and distribution) in the monthly operation report.
- John O'Brien (Genesee County Drain Commissioner's office) contacted DEQ staff in response to our October 22 e-mail. The Lapeer County Road Commission (LCRC) has placed a stop work order on Contract S-4005; however, the Genesee County Drain Commissioner's office contends that the LCRC has no authority to issue a stop work order; thus, work is continuing. DEQ stressed the importance to John of the need to keep the project moving forward and to confirm that the contractor is following proper soil erosion measures and other local guidelines that may apply.
- Based on a discussion with Michael Glasgow and Brent Wright, there have not been major distribution system issues or upsets since the switch back to Detroit Water and Sewerage Department. Utility operators were flushing and winterizing hydrants this week and flushing from the Flint Water Treatment Plant to the outside reaches of the distribution system. Phosphate residuals are also being measured twice per week at Flint's bacteria monitoring sites.

Additional Actions:

- Representatives from DEQ, DLARA, and DHHS met on October 23 with Mayor Dayne Walling and Howard Croft from the city of Flint for the weekly update. Each group gave an overview of actions that were taken over the course of the week. The DEQ discussed sample results from homeowners since the offer to

FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGE

Flint Drinking Water Action Plan Update

Page 2

provide free lead and copper testing was made. The DEQ also discussed the school sampling protocol that was developed and would be used on Saturday, October 24, at Freeman Elementary School. DLARA discussed the plumbing assessment of Freeman Elementary School that was being conducted on Friday, October 23. DHHS gave an update on the prioritization schema for blood lead screening that was being conducted for Flint residents, with the highest priority going to individuals with the highest risk, including young children and infants.

- After the weekly coordination meeting, the city of Flint gave a tour of the Flint Water Treatment Plant to coordination committee members from the DEQ, DLARA, and DHHS. The tour provided a complete picture of the treatment process for both sources of water that could potentially be used, including water from the Flint River and treated water coming from Detroit. There was also discussion on how water from the Karegnondi Water Authority would be distributed, along with discussion of the supplemental addition of corrosion control agents.
- On Saturday, October 24, representatives of DEQ and DLARA conducted the first sampling event of Flint schools at Freeman Elementary School. Media from several news agencies were present to cover the initial sampling event and conducted interviews with Karen Tommasulo and footage was taken of the sampling process. The sampling team consisted of seven members, and it took a little over three hours to conduct the entire sampling event. There was a small group of protesters outside of the school who stayed there for approximately an hour and a half, after which they peacefully disbursed.

After the sampling event, the samples were driven to the DEQ Laboratory and logged into the computer system. The Laboratory's Inorganics Unit Supervisor was contacted and made aware of the status of the samples. The samples were then prepped on Sunday, October 25, and are scheduled for analysis on Monday, October 26.

Links for media coverage of the sampling event are below:

<http://www.abc12.com/home/headlines/State-begins-extensive-testing-of-water-plumbing-inside-Flint-Community-Schools-336669641.html?device=phone&c=y>

<http://nbc25news.com/news/local/mdeg-tests-lead-levels-at-flint-schools>

Prepared by: George Krisztian, Flint Action Plan Coordinator
Laboratory Director
Department of Environmental Quality
Telephone: 517-284-6719

October 26, 2015

Flint Water Public Health Response: MDHHS Action Plan Daily Summary

10-22-15

ACTION PLAN: FILTER/FILTER REPLACEMENTS	STATUS
<p>Filter Distribution</p> <ul style="list-style-type: none"> Residents may continue to obtain filters from GCCARD (both sites 9-4PM) and MDHHS clients can continue to obtain filters at the two MDHHS office locations or the GCCARD sites. GCCARD working with UAW plumbers to provide home installs for vulnerable population including homebound, seniors, and dialysis. (Providing \$20,000 in kind support). 147 installs completed as of 10-21-2015. 	<p>No action indicated, informational only.</p>
<p>Filter Replacement Distribution</p> <ul style="list-style-type: none"> The procedure is in place for replacement cartridge distribution including an abbreviated application for residents to apply for and obtain cartridge replacement. Cartridge replacement will occur at same locations as filter sites. 	<p>ACTION: It is understood that MDHHS has obtained all available replacement cartridges from nationwide supply. Kris S will check with Chris Sanches (DHHS) to determine/verify availability of additional cartridges for purchase if needed. Estimated completion date: 10-23-15</p>
<p>NEW ISSUE: Public Education Proper Filter Use</p> <ul style="list-style-type: none"> When used improperly, the filters will exceed their capacity limit in a much shorter time frame thereby increasing need for filter replacement much sooner than expected. 	<p>ACTION: Jen Eisner will work with Hilda McShane to develop NEW public education material about proper use of cartridge AND how to obtain filter replacement cartridges, targeted for release week of October 26 during lead awareness week. This should be included with all filter replacement cartridges. Estimated Completion date: 10-26-15</p>
ACTION PLAN: LEAD TESTING IN CHILDREN/HIGH RISK GROUPS	STATUS
<p>Testing Protocol: Draft protocol has been completed, undergoing final review. Protocol calls for testing: Priority groups-</p> <ul style="list-style-type: none"> Confirmatory venous testing for children who had venous testing (115 children) Children in day care, Head Start children attending 3 schools (Freeman, Eisenhower, Brownell) Children residing in high risk zip codes (03, 04) All other students <p>Children/parents usual source of primary care. If no usual source of primary care, can obtain testing at GCHD. Mass</p>	<p>ACTION: Finalize testing protocol by 10-23-15 (Wells/Peeler) ACTION: Share all materials with Medicaid (Wells/Peeler) ACTION: Contact MDE regarding sharing student list (Hertel) ACTION: Wells/Valacak will schedule a meeting with the Flint Schools superintendent to discuss parent education/lead testing (Friday, October 23) ACTION: The list of kids with elevated blood levels will be cross referenced to see if their household has a filter. (Peeler/Scott)</p>

<p>testing in school setting NOT recommended.</p> <p>Would like to obtain the student list from the three schools and cross reference with our lead testing data to determine children tested/not tested</p>	
<p>Parent education materials have been completed. GCHD has ability to work with their Head Start and Early head start programs to disseminate parent information</p>	<p>ACTION: Call with Flint school superintendent, GCHD, and MDHHS scheduled 10-24-15 to discuss dissemination process. Will also contact Kyle Guerrant(MDE). (Hertel) Estimated Completion date: 10-23-15</p>
<p>Provider educational material completed. Communication to providers will occur through GCHD and MDHHS networks (GCMS, GCARD, hospitals, etc)</p>	<p>ACTION: Need to coordinate with GCHD. Estimated completion date: TBD (Wells/Peeler)</p>
<p>Community public education and testing event: Working with GCHD to coordinate public testing and awareness events with health care providers and health plans in the Flint area.</p>	<p>ACTION: McLaren Health Plan in conjunction with GCHD hosting a public testing and awareness event on November 5 at the Burton GCHD site. McLaren will have providers on site to perform testing for their members; GCHD onsite to perform testing for all others. Event will also include Medicaid application assistance. ACTION: Tony Larocco (GCHD) has contacted Molina, Molina Health interested in sponsoring a similar community testing and awareness event. Estimated completion date: confirm Molina date by 10-30-15 (LaRocco-GCHD)</p>
ACTION PLAN: ENVIRONMENTAL INVESTIGATION	
<p>Wes Priem (MDHSS) developed a data collection document that will be in the testing protocol. The document collects additional information that will help expedite the environmental investigation process.</p>	<p>No action indicated, informational only</p>
ACTION PLAN: FUNDING	
<p>10-21-15 Funding for case management nurses will be disseminated to GCHD through new project: <i>Flint Water</i>, for \$425,000 through the Comprehensive Contract Egrams system, to fund the: Follow-up of Children Reported with Elevated Lead Levels: Case Management Services. GCHD advised to secure approvals for use of these funds and begin procedures to place staff in appropriate positions to conduct the work.</p>	<p>No action indicated, informational only</p>

Redacted pages 50-61

Thank you,
Morgan

Attachment Redacted as Irrelevant

Attachment Redacted as Irrelevant

Attachment Redacted as Irrelevant

Governor Rick Snyder

October 29, 2015

Daily Briefing

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For Review	
Flint Water	
1. Updated Action Steps – Page	37 – 40
2. Updated Action Plan – Page 40	

Redacted pages 2-36

City of Flint Water Action Steps for Week of October 26-30

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
1.	Conduct After Action Plan	DEQ	George Krisztian	Initial meeting held 10/22/15
2.	Introduce legislative changes to Part 54 of NREPA – Drinking Water Revolving Loan Fund	DEQ, Treasury, and EPA	Maggie Pallone George Krisztian Sonya Butler	Draft language submitted to Maggie Pallone for review
3.	After Action Review Panel	DEQ	Madhu Anderson George Krisztian Karen Tommasulo	Panel created and press release issued on 10/21/15
4.	Staff hiring plan	DEQ	Jim Sygo Maggie Pallone George Krisztian	
5.	Finalize fiscal year 2017 budget request	DEQ	Maggie Pallone George Krisztian	
6.	Meeting(s) with school staff/management	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	A meeting with the 10 remaining schools is tentatively scheduled for the week of 10/26/15
7.	Meet with DHHS and discuss all lead education material for schools	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	Meeting held on 10/27/15; action items created
8.	Review corrosion control treatment plan and get any EPA comments	DEQ and EPA	Jim Sygo Steve Busch Pat Cook Mike Prysby	Summary of Flint's corrosion control plan submitted to EPA

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
9.	Review construction permit application and issue construction permit for phosphate equipment	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	Additional items provided; still need 2 more items
10.	Review Standby Operation of Flint Water Treatment Plant with city of Flint	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	Comments by DEQ to city of Flint have been provided
11.	Work with Karegnondi Water Authority (KWA) and other agencies to address bottleneck issues; check weekly for status update	DEQ and KWA	Jim Sygo Steve Busch Pat Cook Mike Prysby	Issues regarding soil erosion controls during construction are being addressed
12.	Contact city of Flint for Service Line Record status update and obtain a copy of the records to date	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	Cross-referencing process has begun
13.	Provide DHHS with any available cross-reference information	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	
14.	Develop childcare facility guidance or review DHHS-related materials	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	Meeting held on 10/27/15; DHHS to provide materials
15.	Create a generic school sampling guidance document for statewide distribution; target audience: schools served by municipal water	DEQ and DLARA	Jim Sygo Steve Busch Richard Benzie	

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
16.	Confirm plumbing assessment and sampling is scheduled for Brownell K-2 STEM Academy and Eisenhower Elementary School	DEQ and DLARA	Jim Sygo Steve Busch Mike Prysby	Tentatively scheduled for 10/30/15

Flint Drinking Water Action Plan Update

FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGE

- DEQ staff met with DHHS staff on October 27 to discuss all lead education material for schools, and action items were created.
- On October 27 DEQ's Lansing District Office received updated dosage, pump specifications, and cut-sheets for phosphate product. A quick glance at the submittal shows most of the requested information has been provided, except for the NSF Standard 60 certification and the maximum dose. Staff will cross-reference the NSF Web site to verify proper certification and maximum dose. If acceptable, DEQ staff will proceed with issuance of the Act 399 permit. Otherwise, the city of Flint's consultant will need to provide the DEQ with the NSF Standard 60 certification and maximum dose information.
- DEQ staff has cross-referenced 46 of the 326 historical lead and copper monitoring sampling sites with the 10,895 service line index card information records available to date.
- DEQ staff met with DHHS staff to review and further develop childcare facility guidance and incorporate drinking water exposure information. Guidance is being provided by DHHS specific to the Genesee County emergency order, and separate guidance for statewide use will also be developed.

Additional Actions:

- Preliminary follow-up review of sampling event at Freeman Elementary School: DEQ and DLARA staff met and reviewed outlet/tap materials to correlate with sample results. DEQ staff contacted Jim Henry, Genesee County Health Department, to confirm the location of screening samples. The draft write-up is to be completed by DEQ staff on October 28.
- The weekly meeting between DEQ, DLARA, and DHHS was held. Discussion topics included a review of the results for Freeman Elementary School, along with a discussion of what the results meant and how the data would be presented to the Flint Community Schools Superintendent so that the information could be used to create an action plan for the school. Discussion also included working out the logistics for conducting the plumbing evaluation and subsequent sampling for the other two elementary schools that had results above the action level during the initial screen of 13 schools. Plans are in process to conduct these two plumbing evaluations on Friday, October 30, with the sampling to take place on Saturday, October 31.

Prepared by: George Krisztian, Flint Action Plan Coordinator
Laboratory Director
Department of Environmental Quality
Telephone: 517-284-6719

October 28, 2015

Redacted pages 41-89

From: Bedan, Morgan (GOV)
Sent: Thursday, October 29, 2015 2:47 PM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Agen, Jarrod (GOV); Emmitt, Beth (GOV); Bedan, Morgan (GOV); Dickinson, Sarah (GOV); Utley, Corey (GOV)
Subject: Summit of North American Governors and Premiers Briefing
Attachments: Summit of North American Governors and Premiers Briefing.pdf

Governor,

Attached is your briefing for the Summit of North American Governor and Premiers. The briefing contains:

- **Redacted**
- **Events**
- **Redacted**
- **For Review**
 - Flint Water – Pages 59 – 62
 - Updated Action Plan
 - Updated Action Steps

Please let us know if you have any questions.

Safe trip,
Morgan

Governor Rick Snyder

October 30st – November 1st, 2015

Summit of North American Governors and Premiers

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For Review	
Flint Water 1. Updated Action Plan – Page 59 2. Updated Action Steps – Page 62	59 – 62

Redacted pages 2-58

City of Flint Water Action Steps for Week of October 26-30

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
1.	Conduct After Action Plan	DEQ	George Krisztian	Initial meeting held 10/22/15
2.	Introduce legislative changes to Part 54 of NREPA – Drinking Water Revolving Loan Fund	DEQ, Treasury, and EPA	Maggie Pallone George Krisztian Sonya Butler	Draft language submitted to Maggie Pallone for review
3.	After Action Review Panel	DEQ	Madhu Anderson George Krisztian Karen Tommasulo	Panel created and press release issued on 10/21/15
4.	Staff hiring plan	DEQ	Jim Sygo Maggie Pallone George Krisztian	
5.	Finalize fiscal year 2017 budget request	DEQ	Maggie Pallone George Krisztian	
6.	Meeting(s) with school staff/management	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	A summary report for Freeman Elementary School has been drafted
7.	Meet with DHHS and discuss all lead education material for schools	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	Meeting held on 10/27/15; action items created
8.	Review corrosion control treatment plan and get any EPA comments	DEQ and EPA	Jim Sygo Steve Busch Pat Cook Mike Prysby	Meeting held on 10/28/15 to discuss comments

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
9.	Review construction permit application and issue construction permit for phosphate equipment	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	Act 399 permit issued 10/28/15
10.	Review Standby Operation of Flint Water Treatment Plant with city of Flint	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	Comments by DEQ to city of Flint have been provided
11.	Work with Karegnondi Water Authority (KWA) and other agencies to address bottleneck issues; check weekly for status update	DEQ and KWA	Jim Sygo Steve Busch Pat Cook Mike Prysby	Issues regarding soil erosion controls during construction are being addressed
12.	Contact city of Flint for Service Line Record status update and obtain a copy of the records to date	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	Cross-referencing process has begun
13.	Provide DHHS with any available cross-reference information	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	
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15.	Create a generic school sampling guidance document for statewide distribution; target audience: schools served by municipal water	DEQ and DLARA	Jim Sygo Steve Busch Richard Benzie	

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
16.	Confirm plumbing assessment and sampling is scheduled for Brownell K-2 STEM Academy and Eisenhower Elementary School	DEQ and DLARA	Jim Sygo Steve Busch Mike Prysby	Sampling materials have been requested from DEQ Laboratory

Flint Drinking Water Action Plan Update

FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGE

- Discussion held on October 28 with EPA's Flint Safe Drinking Water Task Force (Task Force) concerning monitoring results at Freeman Elementary School. A report that summarizes the results of the samples collected from the school for the lead analysis has been drafted.
- DEQ staff discussed the items needed for the corrosion control treatment plan. An outline of a Corrosion Treatment Operation letter has been prepared. The letter will be finalized and sent to the city of Flint. Water quality parameter monitoring and laboratory certification was also discussed with the EPA's Task Force.
- DEQ staff completed the review and verified NSF Standard 60 conformance, proper dosage, and feed pump sizing. The Act 399 permit for the installation of the phosphate feed equipment was issued on October 28.
- Coordinated with the DEQ Laboratory to create and produce the "Request for Water Analysis Forms" and the bottle order needed for sampling at Brownell K-2 STEM Academy and Eisenhower Elementary School on Saturday, October 31.

Additional Action:

DEQ Director Dan Wyant and DEQ staff met with DHHS Director Nick Lyon and DHHS staff to discuss coordination of the messaging of data related to Flint water and blood samples. It was agreed that it was important to ensure that the water and blood data are put into context with respect to each other. Discussion also involved creating a message that discusses what lead concentrations in water mean from a regulatory and from a health-based perspective. Current regulations are not in step with current health-based exposure models, so additional work needs to be done to ensure a comprehensive message that is clear.

Prepared by: George Krisztian, Flint Action Plan Coordinator
Laboratory Director
Department of Environmental Quality
Telephone: 517-284-6719
Cell: [REDACTED]
October 29, 2015

From: Snyder, Rick (GOV)
Sent: Tuesday, November 10, 2015 7:12 AM
To: Bedan, Morgan (GOV)
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Agen, Jarrod (GOV); Emmitt, Beth (GOV); Utley, Corey (GOV); Dickinson, Sarah (GOV)
Subject: Re: November 10 Daily Briefing

Redacted

Thanks
Rick

Sent from my iPad

On Nov 9, 2015, at 5:48 PM, Bedan, Morgan (GOV) <BedanM@michigan.gov> wrote:

Governor,

Attached is your Daily Briefing for November 10. The briefing contains:

Redacted

Events

Redacted

Meetings

Redacted

For Review

- Flint Water – Pages 31 – 45
 - Action Steps and Action Plan Update
 - Final Freeman Elementary Report
 - Freeman/Flint Copper and Lead Test Results – Attached Separately

Please let us know if you have any questions.

Thank you,
Morgan

Redacted

<Freeman and Flint Copper and Lead Results.pdf>

<151110 Daily Briefing.pdf>

From: Bedan, Morgan (GOV)
Sent: Monday, December 07, 2015 4:26 PM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Agen, Jarrod (GOV); Emmitt, Beth (GOV); Bedan, Morgan (GOV); Utley, Corey (GOV); Dickinson, Sarah (GOV)
Subject: December 8 Daily Briefing
Attachments: [REDACTED] 151208 Daily Briefing.pdf

Governor,

Attached is your Daily Briefing for December 8. The briefing contains:

- [REDACTED]

Meetings

- [REDACTED]
- **Redacted**

For Review

- Flint Water Update – Pages 36 – 39

- [REDACTED]
- **Redacted**

Please let us know if you have any questions.

Thank you,
Morgan

Attachment Redacted as Irrelevant

Governor Rick Snyder
December 8, 2015
Daily Briefing

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Redacted

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Flint Water Update

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Redacted

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Flint Drinking Water Action Plan Update

FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGE

Key Actions:

On December 3, 2015, DHHS released blood lead level testing data. The data covered the time frame between January 1, 2010, and November 13, 2015. The data was broken down by population set and by demographic. The population sets included the state of Michigan as a whole, Genesee County as a whole, and the city of Flint ZIP Codes 48501 to 48507. The demographic sets broke the populations down into the age groups of: "Children younger than 6 Years Old," "Children 6 to 17 Years Old," "Adults 18 Years and Older," and "Total Number of People of All Ages Tested."

On December 3, 2015, the DEQ released the lead in drinking water data and final report for Eisenhower Elementary School. The findings in the report were very similar in nature to those found in the report for Freeman Elementary School. There were a number of fixtures and plumbing immediately adjacent to fixtures that were imparting lead into the water. The report recommends replacement of these fixtures and related plumbing.

On December 4 and 5, 2015, staff from the DEQ and DLARA conducted a plumbing evaluation and subsequent sampling of the fixtures used for drinking water consumption at Potter Elementary School in Flint. There were a total number of 288 samples taken at 57 different locations throughout the school.

Positions:

There are no new positions to report since last week.

Concerns:

There are no new concerns to report since last week.

Significant Events:

On November 30, 2015, Director Dan Wyant and George Krisztian met with water quality expert Dr. Joan Rose of Michigan State University. The purpose of the meeting was to discuss the situation in Flint and to seek guidance on approaches for addressing the issue. Dr. Rose expressed that she felt there were three different fronts necessary to address the issue. These were to create a "Trust Plan," a "Communications Plan," and a plan to "Get the lead out." Dr. Rose provided several different examples of communities that had undergone similar challenges and what approaches worked and what approaches did not.

FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGE

Flint Drinking Water Action Plan Update

Page 2

On December 3, 2015, representatives from the Governor's office, DEQ, and Office of Urban Initiatives met with Flint City Mayor Karen Weaver and members of her transition team. The purpose of the meeting was primarily introductory in nature, and the conversations were at a high level discussing the needs of the city as well as how communications with the residents of the city could be improved. There was also discussion of the lead testing results, both for home owners and in the schools. There was particular interest in the sampling protocol that was used to obtain samples in the schools. Overall, the conversation was very positive, with everyone agreeing that a coordinated effort was necessary to be able to effectively address the lead issue.

On December 3, 2015, Director Dan Wyant was interviewed by Lori Jane Gliha for a segment on America Tonight. The questions mainly focused on what had happened in the past and were tough. The responses echoed the message that the DEQ empathizes with the residents of Flint; we are committed to bringing about a resolution; we have a plan; we are moving forward; and we recognize that we need to rebuild trust in the community.

On December 4, 2015, representatives of the DEQ (Jim Sygo, Karen Tommasulo, and George Krisztian) met with Flint Mayor Karen Weaver and other city officials for the weekly coordination meeting. Calling into the meeting were representatives of DHHS and DLARA. The blood lead data that DHHS released the previous day was discussed, and Dr. Eden Wells provided detailed comment on the data. There was also detailed discussion regarding the Revolving Loan Fund and how it might be utilized to help address the issue of lead service line replacement.

On December 4, 2015, representatives of the DEQ (Jim Sygo, Karen Tommasulo, and George Krisztian) met with Flint Community Schools Superintendent Bilal Tawwab. The main topic of discussion was a review of the lead in drinking water data obtained to date. Superintendent Tawwab was informed that the schools, in general, were all following a similar pattern in that the sources of lead appear to be coming primarily from fixtures and the adjacent plumbing. Superintendent Tawwab indicated that his office has already made the decision to follow all recommendations in the reports. It was also agreed that a monthly meeting would be helpful to ensure that the process kept moving forward. In addition, there was discussion about a document that the DEQ would create that would explain what constituted a part per billion or ppb. A draft document without graphics was given to Superintendent Tawwab, and he indicated that the final version would be a very helpful aid to parents and students.

Changes from Previous Report:

- Draft sampling instructions were developed for lead and copper compliance sampling, incorporating comments by the U.S. Environmental Protection Agency (EPA). The revised document is being sent back to the EPA for final comment.

FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGE

Flint Drinking Water Action Plan Update

Page 3

- DEQ staff met with DHHS staff to assist with development of a phosphate fact sheet. DHHS is the lead on this and will be submitting a revised version to the DEQ for final comment. This document is being developed to answer home owner questions regarding the safety of the addition of phosphate to the water received by the city of Flint from Detroit.
- Staff from the DEQ provided a “Standby Operations” letter to the city of Flint. The purpose of the letter is to define what practices are to be utilized in the event of an emergency.
- Staff from the DEQ followed up with the city of Flint on the status of the installation of corrosion control treatment. Pumps were installed on November 30, 2015. It is anticipated that the startup of the system will begin during the week of December 7, 2015.

Other Item:

Attached is the draft document, “What is a Part per Billion.”

Prepared by: George Krisztian, Flint Action Plan Coordinator
Laboratory Director
Department of Environmental Quality
Telephone: 517-284-6719

December 7, 2015

What is a Part per Billion?

1 dollar in a stack of 1 dollar bills 62 miles high

1 dime in a stack of dimes 800 miles high

1 penny in 10 million dollars

1 second in 32 years

1 foot of a trip to the moon

1 inch of a trip from the North Pole to the South Pole

1 apple in over 10,000 truckloads

1 drop of water in 850 aquariums 20 gallons in size

1 single pitch from every game, of every major league baseball team, played over the course of 700 seasons

Redacted pages 40-49

From: Bedan, Morgan (GOV)
Sent: Friday, December 11, 2015 3:46 PM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Agen, Jarrod (GOV); Emmitt, Beth (GOV); Bedan, Morgan (GOV); Utley, Corey (GOV); Dickinson, Sarah (GOV)
Subject: December 11 Weekend Briefing
Attachments: [REDACTED] 151211 Weekend Briefing.pdf

Governor,

Attached is your Weekend Briefing for December 11 and December 15 Bill Packet. The briefing contains:

- [REDACTED]

Events

- [REDACTED]

Meetings

- [REDACTED]

- Flint

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

For Review

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Signed Letters

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Please let us know if you have any questions.

Thank you,
Morgan

Attachment Redacted as Irrelevant

Attachment Redacted as Irrelevant

Governor Rick Snyder

December 11, 2015

Weekend Briefing

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6. Flint – Page 41	

Redacted pages 2-40

Flint Facts

1. How many people have been tested since Oct. 1 Flint Water Action Plan was implemented?

- Total of 1,836 tested, 39 elevated results
 - Children 0 – 5: 806 tested
 - Children 6 – 17: 525 tested
 - Adults: 505 tested

2. What are the most recent recommendations to protect your family from lead exposure?

- Protecting your family from lead in the water:
 - Get your water tested for lead. It's free. Call (810) 787-6537 to learn more.
 - Use a water filter in your home. MDHHS continues to provide free water filters and replacement cartridges to Flint residents at four locations, including the MDHHS Flint offices and the Genesee County Community Action Resource Department.
 - Run only cold water through the filter.
 - If you do not have a water filter, use bottled water for drinking and mixing formula.
 - Use filtered or bottled water for drinking (including making coffee, drink mixes, juice, baby formula), and cooking (even if you boil the water, the lead will stay in the water and food).
 - If you have to use unfiltered water for drinking or cooking, run the tap for five minutes before using the water
- Testing children:
 - Children who live in the city of Flint should be tested for lead exposure. This should be done as soon as possible.
 - The best place to get your child's blood lead test is your doctor's office. Contact your primary care provider.
 - Children can also get a free lead test at the Genesee County Health Department. For help with transportation, call 2-1-1.
- Safe cleaning:
 - Safe cleaning is important. Keeping your home clean and safe from lead hazards will help to protect your family.
 - Buildings built before 1978 could have lead paint in them. Use wet paper towels to clean up paint chips and dust in these older buildings. Be sure to clean around windows, play areas, and floors.
 - Wash hands and toys often with soap and water.
 - You can use unfiltered tap water to wipe down countertops, mop floors, and wash clothes

The DEQ continues implementing the Governor's 10-point action plan to protect kids and families in Flint:

1. SCHOOLS TESTING

- The Governor's plan commits that DEQ will test water in every Flint school. To date, 8 schools in Flint have undergone a thorough inspection of their plumbing. Crews from the state are completing one to two schools each weekend.
- The story has been the same in each school inspected: lead exposure has been limited to old drinking fountains and faucets that should have been changed out years ago. When these fixtures are run for a couple minutes, lead presence drops to safe levels. If / when these fixtures are removed, it will address the lead exposure in schools.
- DEQ has not identified lead in the deeper plumbing of the schools. That's great news. It means fixing the issue will be comparatively inexpensive and quick.

2. COMMUNITY WATER TESTING

- Since September, more than 500 residents have taken advantage of free home water sampling through the DEQ lab. Results are updated regularly on the DEQ web site, www.michigan.gov/FLINTWATER.
- Residents are encouraged to continue taking advantage of this free service, but also are encouraged to get kids tested for blood lead levels.

3. LEAD SERVICE LINE REPLACEMENT

- The only way to remove the threat of lead exposure in drinking water is to remove sources like old faucets and lead service lines. The DEQ is working with the city to develop a long-term plan for removing the service lines. This is complicated because the service line is the portion that runs from the city system to the residence. It's the part that is mostly on private property and is generally considered the customer's responsibility.
- DEQ worked with Congressman Kildee to get EPA approval to use Revolving Loan Fund dollars to accomplish lead service line replacement.

OTHER VARIOUS ISSUES:

- Cong. Kildee has renewed calls for loan forgiveness in Flint. The city owes the state approximately \$20.8 million for past loans, and they're scheduled to be paid off in 2024. DEQ cannot forgive old loans; we can, however, build loan forgiveness into new loans. Forgiveness is presently capped at 30 percent on new loans.
- City has called on DEQ to pay for fixes to the broader water distribution system on the idea that running river water through the system for 14 months ruined it. That's an unproven statement. The system has been in a serious state of disrepair for many years. We have not addressed this issue in the media. We are focused on the Governor's plan.
- Lawmakers have called for the state to create a fund to provide wraparound services for the (Kildee says 7,000) kids exposed to Flint water situation. Don't know where the 7,000 number came from. DHHS has numbers of kids who actually have elevated blood lead levels. Again, not an issue we've addressed or plan to.

Redacted pages 43-90

From: Bedan, Morgan (GOV)
Sent: Sunday, December 13, 2015 9:49 AM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Emmitt, Beth (GOV); Bedan, Morgan (GOV); Utley, Corey (GOV); Dickinson, Sarah (GOV)
Subject: December 14 Daily Briefing
Attachments: 151214 Daily Briefing.pdf

Governor,

Attached is your Daily Briefing for December 14. The briefing contains:

- **Redacted**
- Events
- **Redacted**
- Meetings
- # Redacted
- Flint
- # Redacted
-
-

Please let us know if you have any questions.

Thank you,
Morgan

Governor Rick Snyder

December 14, 2015

Daily Briefing

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Meetings	
6. Flint – Page 32	

Redacted pages 2-31

Flint Facts

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 - Get your water tested for lead. It's free. Call (810) 787-6537 to learn more.
 - Use a water filter in your home. MDHHS continues to provide free water filters and replacement cartridges to Flint residents at four locations, including the MDHHS Flint offices and the Genesee County Community Action Resource Department.
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 - Use filtered or bottled water for drinking (including making coffee, drink mixes, juice, baby formula), and cooking (even if you boil the water, the lead will stay in the water and food).
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- Residents are encouraged to continue taking advantage of this free service, but also are encouraged to get kids tested for blood lead levels.

3. LEAD SERVICE LINE REPLACEMENT

- The only way to remove the threat of lead exposure in drinking water is to remove sources like old faucets and lead service lines. The DEQ is working with the city to develop a long-term plan for removing the service lines. This is complicated because the service line is the portion that runs from the city system to the residence. It's the part that is mostly on private property and is generally considered the customer's responsibility.
- DEQ worked with Congressman Kildee to get EPA approval to use Revolving Loan Fund dollars to accomplish lead service line replacement.

OTHER VARIOUS ISSUES:

- Cong. Kildee has renewed calls for loan forgiveness in Flint. The city owes the state approximately \$20.8 million for past loans, and they're scheduled to be paid off in 2024. DEQ cannot forgive old loans; we can, however, build loan forgiveness into new loans. Forgiveness is presently capped at 30 percent on new loans.
- City has called on DEQ to pay for fixes to the broader water distribution system on the idea that running river water through the system for 14 months ruined it. That's an unproven statement. The system has been in a serious state of disrepair for many years. We have not addressed this issue in the media. We are focused on the Governor's plan.
- Lawmakers have called for the state to create a fund to provide wraparound services for the (Kildee says 7,000) kids exposed to Flint water situation. Don't know where the 7,000 number came from. DHHS has numbers of kids who actually have elevated blood lead levels. Again, not an issue we've addressed or plan to.

Redacted pages 34-60

From: Hall, Jean (GOV)
Sent: Monday, October 05, 2015 5:14 PM
To: Dickinson, Sarah (GOV)
Subject: FW: Local Government Update
Attachments: Gov Memo Oct final.docx; 201508_436Summary.docx

Thought you might want to put this in the appt., since he didn't send it to anyone in scheduling.

Jean Hall
Executive Assistant
Office of Strategic Policy
Executive Office of Governor Rick Snyder
HallJ16@michigan.gov
517-241-5493

From: Workman, Wayne (TREASURY)
Sent: Monday, October 05, 2015 12:16 PM
To: Snyder, Rick (GOV) [REDACTED]
Cc: Muchmore, Dennis (GOV) <muchmored@michigan.gov>; Clement, Elizabeth (GOV) <clemente@michigan.gov>; Scott, Allison (GOV) <scotta12@michigan.gov>; Khouri, Nick (TREASURY) <KhouriN@michigan.gov>; Roberts, John (DTMB) <RobertsJ9@michigan.gov>; Baird, Richard (GOV) <bairdr@michigan.gov>; Walsh, John (GOV) <WalshJ@michigan.gov>; Redford, James (GOV) <RedfordJ@michigan.gov>; Khouri, Claire (GOV) <KhouriC@michigan.gov>; Wisniewski, Wendy (GOV) <wisniewskiW@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Koryzno, Edward (Treasury) <KoryznoE@michigan.gov>; Durfee, Sally (TREASURY) <DurfeeS1@michigan.gov>
Subject: Local Government Update

This memo will serve as background for the Local Government briefing scheduled on October 8, 2015 at 9:15 am.

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: October 5, 2015
TO: Rick Snyder, Governor
FROM: Wayne Workman, Deputy State Treasurer
SUBJECT: Status of Financially Distressed Local Governments

SEPTEMBER

AUGUST

	Cities	Counties	Schools	Total	Cities	Counties	Schools	Total
Emergency Manager	1	0	3	4	1	0	3	4
Financial Review Commission	1	0	0	1	1	0	0	1
Receivership Transition Advisory Board	6	0	0	6	6	0	0	6
Consent Agreement	3	1	2	6	3	1	2	6
Neutral Evaluation	1	0	0	1	1	0	0	1

EMERGENCY MANAGER

Lincoln Park

Emergency Manager: Brad Coulter

Appointed: July 3, 2014

Anticipated Exit: January 2016

Recent Developments

- A collective bargaining agreement with the Technical and Professional Office Workers Association of Michigan was approved by the Treasurer and will be effective on November 1, 2015. The city eliminated retiree healthcare and reduced employee paid time off.
- On August 10, 2015, the Lincoln Park Retiree Associations filed suit against the State, Treasury, and the City of Lincoln Park regarding the reduction of city retiree healthcare.
- The city is contemplating a lawsuit against the pension funds' actuary for the full amount of the unfunded pension liability. The city believes that the actuary did not properly advise the city regarding long-term financial sustainability of the pension system. The city paid the required ARC each year yet the funding levels were reduced to critical levels.
- PA 345 pension system millage of six mills will be on the November 2015 ballot. This is the second time PA 345 is going before Lincoln Park voters.
- The city ended FY 15 with an estimated \$100K General Fund operating surplus. The city has a General Fund deficit from previous years. EM Coulter will be submitting a Deficit Elimination Plan to Treasury.

- Mathew Coppler, City Manager of Enfield, CT, accepted the position of City Manager, and began on September 29, 2015.

Significant Actions/Issues

- On August 11, 2015, EM Coulter submitted his four-month plan listing the priorities to be accomplished for the remainder of his term and beyond.
- EM Coulter has modified retiree collective bargaining agreements to reduce healthcare benefits. These changes were implemented in July 2015 and will reduce annual retiree healthcare costs from \$4.1M to \$600K.
- The May 2015 actuarial analysis showed pension funding at 23%.
- FY 14 ended with a General Fund accumulated deficit of \$736K, out of a total budget of \$21M. This is a significant increase from FY 13 (\$89K). Increases were in Public Safety- \$1.1M, Public Works- \$700K, and Culture and Recreation- \$600K.
- Voters rejected the Firefighters and Police Officers Retirement Act proposal by a 53% to 47% margin. Had it been approved, an additional \$3M annually would have helped fund fire/police pension and healthcare costs. EM is pursuing an alternative plan under provisions of PA 345 of 1927 to create a Board of Trustees to manage and operate the retirement system.

Issues to Resolve before EM Exit

- Increase and stabilize pension funding levels.
- Permanently eliminate structural deficit for future fiscal years.

FINANCIAL REVIEW COMMISSION (FRC)

Detroit

FRC Created: November 12, 2014

FRC Members: Nick Khouri, Bill Martin, Brenda Jones, Darrell Burks, John Roberts, Lorrion James, Mike Duggan, Stacy Fox, Tony Saunders

Recent Developments

- The city held its September consensus revenue estimating conference on September 17, 2015 and presented its report to the FRC. The estimates of major revenues are up slightly based on improvement in the FY 15 unaudited actuals. However, growth estimates remain conservative as the city wants to minimize risk in its budget. The city will formally update revenues again in February 2016 for use in its FY 17 - FY 20 four-year financial plan.
- As the city enters the testing phase for the Enterprise Resource Planning system in October 2015, the city is evaluating revisions to its project schedule and contract change orders. The city may present those changes to the FRC in October or November.
- The city is in negotiations with its bus drivers' union on a new labor contract, which will require FRC approval. When it is finalized, this will be the first collective bargaining agreement submitted to the FRC for review. The Mayor briefed the FRC in closed session at the September 28, 2015 meeting on his strategy and the details of this pending contract.

Significant Action/Issues

- The FRC filed its first statutorily required biannual report on Detroit on May 28, 2015. The report detailed the FRC's activities and formal requirements since its appointment in November 2014. The FRC will file its second biannual report in December.
- The city's four-year financial plan, approved by the FRC in April, encompassed the second year (FY 16) of Emergency Manager Orr's two-year budget and used that as its base year with no changes, plus three years (FY 17 - FY 19). The City will begin its FY 17 – FY 20 budget development process in October and November 2015. This will be the first budget since the EM's departure that the Mayor and City Council will develop and will be subject to FRC review and approval.
- At its September 28, 2015, the FRC approved its first statutorily required annual certification of the city's substantial compliance with its requirements under the Michigan Financial Review Commission Act.
- The City of Detroit Assessor's Office is currently conducting a multi-year project to reappraise all properties in Detroit, after the State Tax Commission found significant problems with property valuations. The reappraisal is scheduled to be completed in 2017.
- Beginning in January 2016, individual city income tax filers will file their Detroit city income taxes with Treasury instead of the city. Treasury plans to collect Detroit's corporate city income tax and universal withholding (pending approval of legislation) in 2017.

RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB)

Allen Park

RTAB Appointed: September 26, 2014

RTAB Members: Suzanne Schafer, Joyce Parker, Fredrick Frank, Karen Barann

Recent Developments

- On September 22, 2015, Judge Mark Boonstra of the Michigan Court of Claims, granted the state's motion to dismiss the lawsuit brought by retirees of the City of Allen Park who challenged changes made to their healthcare by former Emergency Manager, Joyce Parker. The retirees contested the ability of the EM to modify retiree healthcare under PA 72 of 1980. The judge ruled that by the time the change actually took place the EM was operating under PA 436 of 2012. The plaintiffs also attacked PA 436 of 2012 claiming it was unconstitutional. Judge Boonstra stated that the claim met none of the tests necessary to support a charge of unconstitutional vagueness.
- The City Council offered Acting Assistant City Administrator Mark Kibby the position of City Administrator at its September 22, 2015 meeting. The RTAB will consider this appointment at its October 7, 2015 meeting.
- The bond tender extension expired on October 1, 2015. \$11.21M or 42.56% of the bonds were tendered. The city has accepted all tendered bonds subject to the conditions of the invitation.
- Treasury has been informed that Joyce Parker announced her resignation from the RTAB, effective October 31, 2015. Potential replacements are being considered.
- The city will be going to arbitration with the fire union over resolution of terms that were inadvertently inserted into the signed contract from an earlier draft. These terms were not in the Tentative Agreement signed between the city and the union but included in the final copy signed by Emergency Manager Parker, prior to her departure. The city has

been trying to resolve this issue for months. Treasury continues to monitor these developments.

- The city switched to a new provider for retiree health insurance coverage on October 1, 2015, after being informed by Blue Cross that a 23% rate increase of \$644K was being levied. The RTAB approved this request and the city attorneys believes that there are no legal ramifications with retirees if coverage is changed to a new provider.

Significant Actions/Issues

- At its September meeting, the RTAB affirmed the city's approval of a new four-year collective bargaining agreement with the clerical and public works bargaining units. Treasury reviewed the tentative agreements and identified over \$40K in increased costs in Year 1.
- A retired city employee has brought a breach of contract and age discrimination lawsuit against the city. The city's insurance policy covers only a small portion of the alleged damages. The City Council approved an agreement that was achieved during court-ordered mediation. The agreement will require the city to pay \$600K (from the budgeted Contingency Fund). The RTAB approved this agreement at its September 2, 2015 meeting.
- The city received a \$1.2M Staffing for Adequate Fire and Emergency Response Grant, which will allow them to retain six firefighters over the next two years.
- Litigation was filed by retirees challenging the EM's authority to reduce other post-employment benefit (OPEB) liabilities. A motion for summary disposition is pending. No date has been set to hear this motion.

Benton Harbor

RTAB Appointed: March 10, 2014

RTAB Members: Larry Steckelberg, Bret Witkowski, Marvin Raglon, Sharon Hunt

Recent Developments

- The Assistant City Manager/Community and Economic Development Director, Marja Winters, will be stepping down in November due to family reasons. She is currently assisting the city in finding a replacement.
- Benton Harbor is hiring the MML to do an executive search for a new finance director. Treasury is assisting Benton Harbor with cost of the search.

Significant Actions/Issues

- On August 3, 2015, the City Commission adopted a resolution requesting a hearing with the Department of Treasury to discuss financial assistance for decisions made during the tenure of emergency managers that resulted in legal fees and settlement costs. Treasury will be inviting the Mayor and City Manager to meet in Lansing to discuss issues facing the city.
- The city received notification from the Department of Labor in 2014 of a wage claim filed with their department, in relation to a contract addendum to the Public Safety Collective Bargaining Agreement. City staff and legal counsel have worked with the U.S. Department of Labor to facilitate a settlement to this claim. There are two parts to the settlement: 1) correction of wages going forward; and 2) correction of back wages from the inception of the addendum. The two parts total \$19K. The City Commission approved the settlement at its August 3, 2015 meeting. The RTAB approved the settlement on August 11, 2015.

- The first annual evaluation from the RTAB was conducted on July 29, 2015. It will be sent to the RTAB for review.
- Former Benton Harbor Public Safety Director Roger Lange brought a Whistleblower and Elliot Larson Civil Rights case against the City of Benton Harbor and former EM Tony Saunders. Mediation took place on July 17, 2015, with Jon March of Miller Johnson serving as the mediator. No settlement was reached.

Ecorse

RTAB Appointed: May 1, 2013

RTAB Members: Edward Koryzno, Robert Bovitz, Joyce Parker

Recent Developments

- Treasury has been informed that Joyce Parker announced her resignation from the RTAB, effective October 31, 2015. Potential replacements are being considered.
- The degree of State oversight may be reduced if the city can convincingly show a commitment to the cost saving measures they have proposed.
- The City's new full-time controller, Tim Sadowski has replaced the previous part-time contracted controller.
- On September 22, 2015, the City Manager reported that the new controller is revising the current budget and 5-year financial plan. It was discovered that the baseline was inaccurate, according to the City Manager. Treasury will be analyzing the budget and financial plan and discussing issues with the city. One challenge includes reducing fire service costs, which must be realized soon to keep the financial plan solvent.

Significant Actions/Issues

- The city continues to have difficulty attracting qualified candidates and filling higher level administrative positions.
- Municipal Employee's Retiree System pension contributions are anticipated to increase from \$1.8M in FY 15 to \$2.4M in FY 16 due to accelerated funding for closed plans.
- On May 12, 2015, the RTAB approved a narrowly balanced FY 16 Budget. To balance the budget, the city increased an existing P.A. 33 levy by approximately 15 mills.

Flint

RTAB Appointed: April 29, 2015

RTAB Members: Frederick Headen, Brian Larkin, David McGhee, Beverly Walker-Griffea, Robert McMahan

Recent Developments

- On August 7, 2015, a Genesee Circuit Court lawsuit, Shears v. Flint, invalidated a previous 35% increase in water and sewer rates, reverting back to 2011 rates. This injunction also requires the city to repay \$15.7M from the General Fund to the Water Fund, prevents the city from collecting certain past due water bills, and from disconnecting water service for nonpayment. The City has estimated that this injunction could potentially cost the General Fund \$50M. Thus far, the city's appellate efforts have not been successful. Most recently, Judge Archie Hayman certified Shears v. Flint as a class action.
- As a result of Shears v. Flint decision which required the city to roll back water rates by 35%, the Finance Director on October 1, 2015 estimated that revenue has decreased by \$666K per month and projects a loss of \$6.6M for the remainder of the fiscal year. In

addition for the period of August 10, 2015 thru September 2, 2015, the city has realized \$1.75M less in cash receipts as the same period last year due to a decrease in payment activity.

- Separate litigation was held that Emergency Manager Mike Brown had no statutory authority to later ratify water and sewer rate increases from May of 2012. The city filed an appeal to the Michigan Supreme Court, but the court did not address the appeal because the city missed the filing deadline by one day. The case has been remanded back to Genesee County Circuit Court to resolve some outstanding matters. Treasury is discussing the need for additional legal representation with the city.
- Concerns have been raised about the amount of lead in the city's water system after a study by Virginia Tech University suggests that the amount is much higher than standard testing shows. The city is in compliance with state and federal lead standards but will be adding a corrosion inhibitor into the treatment process to reduce the amount of lead leaching into the system. The city is also providing free and independent water quality testing to residents. Treasury is monitoring this issue closely.
- Mayor Walling has issued a letter to the State requesting \$20M in funds to assist the city in making needed capital improvements to its water system plus another \$10M to address the issue of lead leaching into the system.
- On September 11, 2015, Genesee County Circuit Court dismissed a case (*Coalition for Clean Water v City of Flint*) to force the city to purchase water from the City of Detroit.
- The RTAB approved ballot language for the renewal of the Regional Flint Mass Transportation Authority millage. The proposed renewal is for five years at the current 0.6 mills per year and will appear on the November 2015 ballot.
- The Economic and Community Development Director resigned in August 2015. Current staffing vacancies also include the Treasurer and the Human Resources Director.
- As a result of a recent review, the State Tax Commission notified the city it must maintain adequate assessment records in compliance with statutes and State Tax Commission Rules, and must implement any corrective actions necessary. In addition, the city shall implement a full reassessment within a time frame agreed upon with the State Tax Commission. The city has issued an RFP and is reviewing the proposals.
- The city has been informed they no longer need to inform residents that it is in violation of the Clean Water Standards Act. Results from the first monthly test, since the installation of the granulated active-charcoal filter, showed that the city is in compliance with the federal Drinking Water Act. The city hired Echologics at a cost of \$895,850 to perform a leak detection study. This project commenced in August 2015 and is approximately 1/3 complete.

Significant Actions/Issues

- Genesee County 911 assumed dispatch responsibilities for city police and fire on August 17, 2015. This merger was approved in 2014 and is expected to save the city \$1M per year.
- On August 12, 2015, the RTAB approved a transfer of \$323K from the Fire Department to the Police Department to hire five additional patrol officers. The city has initiated a hiring process.
- The KWA pipeline is expected to be completed in June 2016. The two pump stations are approximately 75% complete and the intake is completed.
- The city is implementing Veolia recommended improvements to its water system, including water plant improvements, distribution system improvements, new policies and

procedures, and better communication with customers. The city installed a \$1.5M granulated active-charcoal filter to improve water quality. All twelve filters are installed and are in use.

- If the city loses a lawsuit over retiree healthcare, the EM's two-year budget does not assume an additional \$5M to \$6M annual expense.

Hamtramck

RTAB Appointed: December 18, 2014

RTAB Members: Deborah Roberts, Mark Stema, Cathy Square, Karen Young

Recent Developments

- The city is undertaking a \$6M sewer infrastructure improvement project which is eligible for State Revolving Fund monies. The project will reduce storm water inflow into sanitary sewers. Certain rehabilitation elements of the project will commence on October 15, 2015 and conclude in spring 2016. The sewer relief portion will begin in December 2015 and will be completed next summer.
- The city is pursuing a third party police study which will help administrators review options for reducing costs and providing more efficient service.
- The contractor Tyler Technologies is reassessing all residential and commercial properties.

Significant Actions/Issues

- The City Council adopted the FY 16 Budget on June 17, 2015. The RTAB approved this action on June 23, 2015. The city has also developed a long-term capital improvements plan.
- A suit was filed in federal court by Hamtramck retirees over changes to healthcare benefits made in October 2014. The potential exposure to the city is currently unknown.
- The annual pension liability is anticipated to increase from \$3.5M in FY 15 to \$4.3M by FY 19. This increase is a result of closing certain pension plans and the Michigan Employee's Retirement System (MERS) policy of accelerating the required contribution for closed plans. The increases were included in the EM's two-year budget.

Pontiac

RTAB Appointed: August 19, 2013

RTAB Members: Edward Koryzno, Louis Schimmel, Keith Sawdon, Robert Burgess

Recent Developments

- On September 14, 2015, the City Council approved Jane Bais-DiSessa for the position of Deputy Mayor. The RTAB approved this appointment on September 16, 2015.
- On July 6, 2016, Oakland County Circuit Court Judge Michael Warren dismissed the lawsuit filed by the city against Ottawa Towers LLC/ Phoenix Center. Treasury is working with the city to move forward with the sale to a private operator which could free up \$2M in demolition funds.

Significant Actions/Issues

- On August 19, 2015, the RTAB approved filling the positions of Customer Service Representative and Community Relations Specialist. These positions will assist the Mayor with community and economic development activities.
- Per the city's FY 14 audit, the General Fund accumulated fund balance is approximately \$5M out of a total budget of \$27M.

- The city lost a decision at the Michigan Court of Appeals which may make it liable for a \$3.5M payment to the Police and Fire VEBA. The city requested reconsideration but was denied. In May, the RTAB approved the city's request to appeal to the MI Supreme Court.
- The City of Pontiac Retired Employees Association v. City of Pontiac lawsuit (in U.S. District Court) was reassigned from Judge Lawrence P. Zatkoff to Judge Avern Cohn. The lawsuit challenges former EM Schimmel's elimination of retiree healthcare and replacement with an annual stipend. The General Employees Retirement System Pension Fund is significantly overfunded and the parties are exploring options to use the overfunded portion to fund retiree healthcare. Mediation is taking place under the supervision of Eugene Driker.

CONSENT AGREEMENT

Inkster

Date Executed: February 20, 2012

Consent Agreement Consultant: Mark Stuhldreher

Recent Developments

- On June 29, 2015, a tentative agreement was reached with Wayne County to place a judgment levy on the tax rolls. The levy would run for five years and repay the county \$4.9M in past due sewer charges. The city is in discussions with Wayne County to postpone the levy until July 2016.
- On August 18, 2015, the Michigan Court of Appeals ruled (Trahey v City of Inkster) that the trial court erred in determining the city's 2012 water and sewer rates were unreasonable and ordering the city to issue \$2.55M in credits to residents for reduced water and sewer rates. The city is evaluating this decision.
- The city is collaborating with MSHDA and MEDC to seek new housing developments and development of several vacant commercial parcels. Inkster Police and the city will be utilizing an accumulation of training dollars to train police personnel and staff going forward.

Significant Actions/Issues

- On May 18, 2015, City Council approved the FY 16 Budget.
- On August 3, 2015, the City Council voted to change the employment status of City Manager, Richard Marsh to Special Advisor to the city. The City Council named City Treasurer, Mark Stuhldreher to the position of Interim City Manager. A search firm will conduct a national search to fill the City Manager's position.
- On April 20, 2015, the city adopted a working capital reserve policy for the Water and Sewer Fund which will provide funds for emergency situations.
On June 29, 2015, an Order was issued requiring the City Treasurer to approve all employment matters with city officials and employees, expenditure of funds, and all contracts.
- William Riley is Inkster's new Police Chief. Mr. Riley's start date was August 10, 2015. The new chief has been reaching out to community groups and the neighborhoods, and is fully engaged.

River Rouge

Date Executed: December 15, 2009

Consent Agreement Consultant: N/A (P.A. 72)

Significant Actions/Issues

- A fire union collective bargaining agreement was approved in March, resulting in a reduction in healthcare costs.
- The city adopted its FY 16 Budget on May 19, 2015. The budget is balanced and has a beginning fund balance of \$1,967,613. The city has prepared a proposed five-year budget that shows a deficit in FY 18 to FY 20 unless additional revenues can be found.

Royal Oak Township

Effective Date: April 21, 2014

Consent Agreement Consultant: Robert Burgess

Recent Developments

- The Township Board voted to extend the Consent Agreement Consultant's contract through March 31, 2016.
- The Consent Agreement Consultant, Treasury, and the Michigan State Police met with Oak Park City Manager on September 21, 2015 to discuss the city providing police services to the township.
- A six-month plan has been developed by Consent Agreement Consultant Robert Burgess, listing the priorities for the next several months. Treasury has been offering assistance to the consultant in implementing the plan's priorities.

Significant Actions/Issues

- On August 4, 2015, voters approved a renewal of 4.5 mills for general operations.
- On June 17, 2015, an Order was issued granting the Consultant broad authority to approve expenditures made by the township and ensure that obligations are being paid. The Order also gives the Consultant authority to invest the \$620K in reimbursed retirement assets with MERS.
- The Michigan State Police continues to provide police services to the township.
- The township audit was completed. Auditors recommend the township submit a Deficit Elimination Plan for 2014, select a firm to advise the township on financial matters, and perform an inventory of assets.
- Treasury learned that the Township Supervisor was regularly authorizing overtime for employees, though overtime was not included in the FY 15 Budget and the Consent Agreement requires State Treasurer approval prior to overtime expenditures. On May 20, 2015, an Order was issued requiring the Consultant to approve all requests for overtime prior to authorization.

Wayne County

Recent

- On September 15, 2015, the County Deputy Chief Financial Officer submitted a cash flow forecast as required by the Consent Agreement. It is under review by Treasury staff.
- AFSCME Council 25 attempts to block any changes to the terms and conditions of employment has failed at the state courts. On September 15, 2015, AFSCME filed a Motion for a Temporary Restraining Order to prevent changes to the terms and conditions of employment in Federal Court but it has not yet been granted. The County has filed a request with the United States District Court to deny the Temporary Restraining Order and to dismiss the lawsuit. No decision has been made.

Significant Actions/Issues

- On August 21, 2015, the County Board approved the Consent Agreement negotiated between the County Executive and State Treasurer.
- On June 10, 2015, the county reached a settlement with retirees on healthcare. The county will no longer provide health insurance but will instead provide a stipend to retirees. This will result in a savings of \$20M annually.
- The county's annual structural General Fund deficit is approximately \$52M prior to any of the proposed remedial actions.
- The county's proposed restructuring is approximately \$53M in General Fund savings, \$25M of which comes from changes to pension and healthcare benefits for active employees and healthcare benefits for retirees.
- The county has not yet proposed a long-term solution to its jail problems.

NEUTRAL EVALUATION**Highland Park**

Financial Review Team Appointed: December 2, 2013

Financial Emergency Declared: January 30, 2014

P.A. 436 Option Selected: Neutral Evaluation

Recent Developments

- On August 11, 2015, a report was issued by Meadowbrook Insurance on the progress of reducing the city's healthcare costs. When successfully implemented after October 1, 2015, the \$1.4M annual cost of healthcare could be reduced to \$630K.
- On August 24, 2015, City Council gave conditional approval to the settlement agreement between the city and DWSD over past due water and sewer bills. However, the city is waiting for a response from DWSD on other issues.
- The second phase of emergency loans is under discussion. It would consist of approximately \$4.7M to restructure the city's three outstanding emergency loans and \$11.5M to refinance outstanding debt.
- The city has purchased the first quantity of water meters at a cost of \$343K. Meter installation is underway.
- Wade Trim, the firm hired by Highland Park to manage the water and sewer operations, processed the first regular water and sewer bills to customers on August 13, 2015.

Significant Actions/Issues

- On June 29, 2015, City Council approved a substantial increase in water and sewer rates which will allow the city to fund water and sewer operations.
- On July 6, 2015, Wade Trim began duties to operate and maintain the water and sewer systems.
- Louis Schimmel was hired on June 29, 2015, to provide consulting services regarding water and sewer issues.
- On July 31, 2015, the water and sewer amnesty program expired. City Administrator Cathy Square stated the city will work with customers to settle their past due accounts.
- On May 18, 2015, the City Council approved a resolution requesting MDOT to pay for storm water drainage from the highways and freeways under state jurisdiction in the city. The City Administrator has indicated that the city has filed suit against both MDOT and Wayne County over storm water.
- On May 18, 2015, City Council approved a consultant's recommendation for an amnesty plan for residential customers to pay arrearage amounts owed to the city. The consultant has determined that if all customers take advantage of the amnesty plan, the city could collect \$2.08M. The city extended the amnesty plan until July 31, 2015 to allow more time for customers to pay past due accounts.
- The city's liabilities total \$99.9M. Some major components are: \$55.3M debt, including \$20.7M owed to the DWSD, and \$26.1M unfunded other post-employment benefits (OPEB).

EMERGENCY MANAGER - MUNICIPALITIES				
Unit of Government	Current Emergency Manager	Initial Appointment Date	Target Exit Date	Notes
City of Lincoln Park	Brad Coulter	July 3, 2014	January 2016	FY 15 ended with an estimated \$100K general fund operating surplus. Will submit DEP. Actuarial analysis published on 5/20/15 shows further decline in pension funding down 23%. Mathew Coppler, City Manager of Enfield, Connecticut accepted position of City Manager.
FINANCIAL REVIEW COMMISSION (FRC) – MUNICIPALITIES				
Unit of Government	Board Members	Appointment Date	Target Exit Date	
City of Detroit	Nick Khouri, John Roberts, Bill Martin, Mike Duggan, Brenda Jones, Darrell Burks, Lorrion James, Stacy Fox, Tony Saunders	November 12, 2014	NA	City held its bi-annual revenue estimating conference on 9/17/15 and submitted report to FRC on 9/28/15. Mayor Duggan briefed the FRC on 9/28/15 in closed session on his strategy and details of the pending collective bargaining agreement with the city's bus drivers.
RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB) - MUNICIPALITIES				
Unit of Government	Board Members	Appointment Date	Target Exit Date	Notes
City of Allen Park	Suzanne Schafer, Joyce Parker, Fredrick Frank, Karen Barann	September 26, 2014	NA	4-year CBA with police approved by Council and the RTAB despite concerns in increased costs. (RTAB vote was 2-1 to approve). RTAB approved 5-year financial plan on 5/15/15. Bond Tender extension expired on 10/1/15. \$11.21M of bonds were tendered.
City of Benton Harbor	Larry Steckelberg, Bret Witkowski, Marvin Raglon, Sharon Hunt	March 10, 2014	NA	Commission requested a hearing to discuss financial assistance re EM decisions made that resulted in legal fees and settlement costs. Former Public Safety Director brought Whistleblower and Elliot Larson Civil Rights case against the city. Mediation took place on 7/17/15, no settlement reached.
City of Ecorse	Edward Koryzno, Robert Bovitz, Joyce Parker	May 1, 2013	NA	Balanced 5-year financial plan completed. Difficult changes must be realized to comply. RTAB approved balanced FY 16 Budget on 5/12/15.

Public Act 436 of 2012 Summary

MUNICIPALITIES

City of Flint	Frederick Headen, Brian Larkin, David McGhee, Beverly Walker-Griffa, Robert McMahan	April 29, 2015	NA	As a result of lawsuit decision, city estimates that revenue will decrease by \$666K per month and projects a lost \$6.6M for remainder of the fiscal year. The injunction requires city to repay \$15.7M from the General Fund to the Water Fund. KWA pipeline expected to be completed in June 2016.
City of Hamtramck	Deb Roberts, Mark Stema, Karen Young, Cathy Square	December 1, 2015	NA	Undertaking a \$6M sewer infrastructure improvement project which is eligible for State Revolving Fund Monies. Project will reduce storm water inflow into sanitary sewers.
City of Pontiac	Edward Koryzno, Louis Schimmel, Keith Sawdon Robert Burgess	August 19, 2013	NA	On 9/16/15, City Council approved Deputy Mayor hire. City lost Supreme Court ruling to demolish Phoenix Center. Treasury working with city to move forward with sale to private operator which frees up \$2M in demolition funds. FY 16 Budget and 2015 tax rates approved by RTAB on 6/26/15.
CONSENT AGREEMENT - MUNICIPLITIES				
Unit of Government	Treasury Representative/Consultant	Date Executed	Term of Consent Agreement	Notes
City of Inkster	Mark Stuhldreher, Interim City Manager and City Treasurer/Finance Director	February 20, 2012	N/A	On 8/3/15, City Council voted to change the employment status of the City Manager to Special Advisor. Mark Stuhldreher appointed interim City Manager. Tentative agreement w/ Wayne County for judgement levy on tax rolls. Levy to run for 5 years and repay county \$4.9M in past due sewer charges. Collaborating with MSHDA and MEDC to seek new housing developments and development of several vacant commercial parcels.
City of River Rouge	N/A (P.A. 72)	December 15, 2009	N/A	FY 16 Budget adopted on 5/19/15. Proposed 5-yr budget shows a deficit in FY 18 to FY 20 unless additional revenues can be found.
Royal Oak Township	Robert Burgess	April 21, 2014	October 31, 2017	On 8/3/15, voters approved a renewal of 4.5 mills for general operations. Order issued on 6/17/15 granting the Consultant broad authority to approve expenditures made by the township to ensure obligations are being paid.
Wayne County				On 9/15/15, AFSCME filed motion for temporary restraining order to prevent changes to terms and conditions of employment in Federal Court. County filed request with US District Court to deny the temporary restraining order and dismiss lawsuit. No decision has been made.

				On 6/10/15, county reached settlement with retirees on healthcare to provide stipend in lieu of health insurance.
NEUTRAL EVALUATION - MUNICIPALITIES				
Unit of Government	Financial Review Team Appointed	Financial Emergency Declared	Date Option Selected	Notes
City of Highland Park	December 2, 2013	January 30, 2014	May 1, 2014	Wade Trim began operating and maintaining water and sewer systems on 7/6/15. 2 nd phase of emergency loans tentative for 9/24/15 – \$4.7M to restructure 3 outstanding loans and \$11.5M to refinance outstanding debt. On 6/29/15, Council approved substantial increase in water/sewer rates.
OTHER COMMUNITIES - MUNICIPALITIES				
City of Melvindale * City of Wayne *				
EMERGENCY MANAGER - SCHOOLS				
Unit of Government	Emergency Manager	Appointment Date	Target Exit Date	Notes
Detroit Public Schools	Darnell Earley	January 13, 2015	April 2016	Sodexo expected to petition for judgment levy for unpaid balance of \$26M. Hired a Deputy Superintendent of Finance and Operations. Continues to work on long-term strategy with E&Y/ Parthenon. Weekly meetings to monitor critical cash, shortfall of approximately \$78M for FY16. ORS delinquencies growing to approximately \$95.7M; reached agreement at \$750k per month and submit a plan to resolve balance due by October 2016. Pupil count projected to decline by 848 from 47,098 in FY 14-15 to 46,250 in FY 15-16.
Highland Park School District	Donald Weatherspoon	April 15, 2015	October 2016	Beginning in September 2015, DPS provides for educational services for grades 9-12. Renewal of non-homestead millage is scheduled for November 2015. Pupil count projected to decline by 40 students from 580 in 2014-15 to 540 in 2015-16.
Muskegon Heights School District	Steven Schiller	April 15, 2015	October 2016	Completed transition from Mosaica to ISD. ORS payments continue to go only towards interest payments, leaving the principal amount due

				untouched. Pupil enrollment projected to decline by 80 from 902 in 2014-15 to 822 in 2015-2016.
CONSENT AGREEMENT - SCHOOLS				
Unit of Government	Consultant	Appointment Date	Target Exit Date	Notes
School District of City of Pontiac	Donald Weatherspoon	October 15, 2013	September 2015	District expects to place before voters in March 2016 non-homestead millage, the same date as the Republican Presidential Primary. District expects to place before voters in May 2016 a 2.87 mill, 5-year sinking fund ballot measure. In August, a similar measure failed by less than 120 votes. Pupil count projected to decline by 14 from 4,329 in 2014-15 to 4,315 in 2015-16.
Benton Harbor Schools	Cynthia M. LaGrow	November 18, 2014	November 2016	Hired new CFO. Formally dismissed suspended superintendent and entered into a settlement agreement. Pupil count projected to decline of 101 from 2,428 in 2014-15 to 2,327 in 2015-16. Transitioned from Plante Moran to Berrien RESA for essential office admin support.
SCHOOLS WATCH LIST				
With the passage of 2015 PAs 109-111, Treasury is expected to have authority over the following deficit districts. * Flint * Hazel Park * Westwood * Mt. Clemens * Bridgeport Spaulding * Clintondale * New Haven * Vanderbilt * Southgate *				

From: Dempkowski, Angela (Treasury)
Sent: Tuesday, October 06, 2015 9:37 AM
To: Bedan, Morgan (GOV); Dickinson, Sarah (GOV)
Subject: FW: Local Government Update
Attachments: Gov Memo Oct final.docx; 201508_436Summary.docx

Per your request.

Angela Dempkowski
Senior Executive Management Assistant
Department of Treasury

From: Workman, Wayne (TREASURY)
Sent: Monday, October 05, 2015 12:17 PM
To: Headen, Frederick (Treasury) <HeadenF@michigan.gov>; Dempkowski, Angela (Treasury) <DempkowskiA@michigan.gov>; Pleyte, Beth (Treasury) <PleyteB@michigan.gov>; Stanton, Terry A. (Treasury) <StantonT@michigan.gov>; Sampson, Jeremy (TREASURY) <SampsonJ@michigan.gov>; Agen, Jarrod (GOV) <AgenJ@michigan.gov>; Wurfel, Sara (GOV) <Wurfels@michigan.gov>
Subject: FW: Local Government Update

FYI

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury

From: Workman, Wayne (TREASURY)
Sent: Monday, October 05, 2015 12:16 PM
To: 'snyderr11@michigan.gov' [REDACTED]
Cc: Muchmore, Dennis (GOV) <muchmored@michigan.gov>; Clement, Elizabeth (GOV) <clemente@michigan.gov>; Scott, Allison (GOV) <scotta12@michigan.gov>; Khouri, Nick (TREASURY) <KhouriN@michigan.gov>; Roberts, John (DTMB) <RobertsJ9@michigan.gov>; Baird, Richard (GOV) <bairdr@michigan.gov>; Walsh, John (GOV) <WalshJ@michigan.gov>; Redford, James (GOV) <RedfordJ@michigan.gov>; Khouri, Claire (GOV) [REDACTED] Wisniewski, Wendy (GOV) <wisniewskiW@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Koryzno, Edward (Treasury) <KoryznoE@michigan.gov>; Durfee, Sally (TREASURY) <DurfeeS1@michigan.gov>
Subject: Local Government Update

This memo will serve as background for the Local Government briefing scheduled on October 8, 2015 at 9:15 am.

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: October 5, 2015

TO: Rick Snyder, Governor

FROM: Wayne Workman, Deputy State Treasurer

SUBJECT: Status of Financially Distressed Local Governments

SEPTEMBER

AUGUST

	Cities	Counties	Schools	Total	Cities	Counties	Schools	Total
Emergency Manager	1	0	3	4	1	0	3	4
Financial Review Commission	1	0	0	1	1	0	0	1
Receivership Transition Advisory Board	6	0	0	6	6	0	0	6
Consent Agreement	3	1	2	6	3	1	2	6
Neutral Evaluation	1	0	0	1	1	0	0	1

EMERGENCY MANAGER

Lincoln Park

Emergency Manager: Brad Coulter

Appointed: July 3, 2014

Anticipated Exit: January 2016

Recent Developments

- A collective bargaining agreement with the Technical and Professional Office Workers Association of Michigan was approved by the Treasurer and will be effective on November 1, 2015. The city eliminated retiree healthcare and reduced employee paid time off.
- On August 10, 2015, the Lincoln Park Retiree Associations filed suit against the State, Treasury, and the City of Lincoln Park regarding the reduction of city retiree healthcare.
- The city is contemplating a lawsuit against the pension funds' actuary for the full amount of the unfunded pension liability. The city believes that the actuary did not properly advise the city regarding long-term financial sustainability of the pension system. The city paid the required ARC each year yet the funding levels were reduced to critical levels.
- PA 345 pension system millage of six mills will be on the November 2015 ballot. This is the second time PA 345 is going before Lincoln Park voters.
- The city ended FY 15 with an estimated \$100K General Fund operating surplus. The city has a General Fund deficit from previous years. EM Coulter will be submitting a Deficit Elimination Plan to Treasury.

- Mathew Coppler, City Manager of Enfield, CT, accepted the position of City Manager, and began on September 29, 2015.

Significant Actions/Issues

- On August 11, 2015, EM Coulter submitted his four-month plan listing the priorities to be accomplished for the remainder of his term and beyond.
- EM Coulter has modified retiree collective bargaining agreements to reduce healthcare benefits. These changes were implemented in July 2015 and will reduce annual retiree healthcare costs from \$4.1M to \$600K.
- The May 2015 actuarial analysis showed pension funding at 23%.
- FY 14 ended with a General Fund accumulated deficit of \$736K, out of a total budget of \$21M. This is a significant increase from FY 13 (\$89K). Increases were in Public Safety- \$1.1M, Public Works- \$700K, and Culture and Recreation- \$600K.
- Voters rejected the Firefighters and Police Officers Retirement Act proposal by a 53% to 47% margin. Had it been approved, an additional \$3M annually would have helped fund fire/police pension and healthcare costs. EM is pursuing an alternative plan under provisions of PA 345 of 1927 to create a Board of Trustees to manage and operate the retirement system.

Issues to Resolve before EM Exit

- Increase and stabilize pension funding levels.
- Permanently eliminate structural deficit for future fiscal years.

FINANCIAL REVIEW COMMISSION (FRC)

Detroit

FRC Created: November 12, 2014

FRC Members: Nick Khouri, Bill Martin, Brenda Jones, Darrell Burks, John Roberts, Lorrion James, Mike Duggan, Stacy Fox, Tony Saunders

Recent Developments

- The city held its September consensus revenue estimating conference on September 17, 2015 and presented its report to the FRC. The estimates of major revenues are up slightly based on improvement in the FY 15 unaudited actuals. However, growth estimates remain conservative as the city wants to minimize risk in its budget. The city will formally update revenues again in February 2016 for use in its FY 17 - FY 20 four-year financial plan.
- As the city enters the testing phase for the Enterprise Resource Planning system in October 2015, the city is evaluating revisions to its project schedule and contract change orders. The city may present those changes to the FRC in October or November.
- The city is in negotiations with its bus drivers' union on a new labor contract, which will require FRC approval. When it is finalized, this will be the first collective bargaining agreement submitted to the FRC for review. The Mayor briefed the FRC in closed session at the September 28, 2015 meeting on his strategy and the details of this pending contract.

Significant Action/Issues

- The FRC filed its first statutorily required biannual report on Detroit on May 28, 2015. The report detailed the FRC's activities and formal requirements since its appointment in November 2014. The FRC will file its second biannual report in December.
- The city's four-year financial plan, approved by the FRC in April, encompassed the second year (FY 16) of Emergency Manager Orr's two-year budget and used that as its base year with no changes, plus three years (FY 17 - FY 19). The City will begin its FY 17 – FY 20 budget development process in October and November 2015. This will be the first budget since the EM's departure that the Mayor and City Council will develop and will be subject to FRC review and approval.
- At its September 28, 2015, the FRC approved its first statutorily required annual certification of the city's substantial compliance with its requirements under the Michigan Financial Review Commission Act.
- The City of Detroit Assessor's Office is currently conducting a multi-year project to reappraise all properties in Detroit, after the State Tax Commission found significant problems with property valuations. The reappraisal is scheduled to be completed in 2017.
- Beginning in January 2016, individual city income tax filers will file their Detroit city income taxes with Treasury instead of the city. Treasury plans to collect Detroit's corporate city income tax and universal withholding (pending approval of legislation) in 2017.

RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB)

Allen Park

RTAB Appointed: September 26, 2014

RTAB Members: Suzanne Schafer, Joyce Parker, Fredrick Frank, Karen Barann

Recent Developments

- On September 22, 2015, Judge Mark Boonstra of the Michigan Court of Claims, granted the state's motion to dismiss the lawsuit brought by retirees of the City of Allen Park who challenged changes made to their healthcare by former Emergency Manager, Joyce Parker. The retirees contested the ability of the EM to modify retiree healthcare under PA 72 of 1980. The judge ruled that by the time the change actually took place the EM was operating under PA 436 of 2012. The plaintiffs also attacked PA 436 of 2012 claiming it was unconstitutional. Judge Boonstra stated that the claim met none of the tests necessary to support a charge of unconstitutional vagueness.
- The City Council offered Acting Assistant City Administrator Mark Kibby the position of City Administrator at its September 22, 2015 meeting. The RTAB will consider this appointment at its October 7, 2015 meeting.
- The bond tender extension expired on October 1, 2015. \$11.21M or 42.56% of the bonds were tendered. The city has accepted all tendered bonds subject to the conditions of the invitation.
- Treasury has been informed that Joyce Parker announced her resignation from the RTAB, effective October 31, 2015. Potential replacements are being considered.
- The city will be going to arbitration with the fire union over resolution of terms that were inadvertently inserted into the signed contract from an earlier draft. These terms were not in the Tentative Agreement signed between the city and the union but included in the final copy signed by Emergency Manager Parker, prior to her departure. The city has

been trying to resolve this issue for months. Treasury continues to monitor these developments.

- The city switched to a new provider for retiree health insurance coverage on October 1, 2015, after being informed by Blue Cross that a 23% rate increase of \$644K was being levied. The RTAB approved this request and the city attorneys believes that there are no legal ramifications with retirees if coverage is changed to a new provider.

Significant Actions/Issues

- At its September meeting, the RTAB affirmed the city's approval of a new four-year collective bargaining agreement with the clerical and public works bargaining units. Treasury reviewed the tentative agreements and identified over \$40K in increased costs in Year 1.
- A retired city employee has brought a breach of contract and age discrimination lawsuit against the city. The city's insurance policy covers only a small portion of the alleged damages. The City Council approved an agreement that was achieved during court-ordered mediation. The agreement will require the city to pay \$600K (from the budgeted Contingency Fund). The RTAB approved this agreement at its September 2, 2015 meeting.
- The city received a \$1.2M Staffing for Adequate Fire and Emergency Response Grant, which will allow them to retain six firefighters over the next two years.
- Litigation was filed by retirees challenging the EM's authority to reduce other post-employment benefit (OPEB) liabilities. A motion for summary disposition is pending. No date has been set to hear this motion.

Benton Harbor

RTAB Appointed: March 10, 2014

RTAB Members: Larry Steckelberg, Bret Witkowski, Marvin Raglon, Sharon Hunt

Recent Developments

- The Assistant City Manager/Community and Economic Development Director, Marja Winters, will be stepping down in November due to family reasons. She is currently assisting the city in finding a replacement.
- Benton Harbor is hiring the MML to do an executive search for a new finance director. Treasury is assisting Benton Harbor with cost of the search.

Significant Actions/Issues

- On August 3, 2015, the City Commission adopted a resolution requesting a hearing with the Department of Treasury to discuss financial assistance for decisions made during the tenure of emergency managers that resulted in legal fees and settlement costs. Treasury will be inviting the Mayor and City Manager to meet in Lansing to discuss issues facing the city.
- The city received notification from the Department of Labor in 2014 of a wage claim filed with their department, in relation to a contract addendum to the Public Safety Collective Bargaining Agreement. City staff and legal counsel have worked with the U.S. Department of Labor to facilitate a settlement to this claim. There are two parts to the settlement: 1) correction of wages going forward; and 2) correction of back wages from the inception of the addendum. The two parts total \$19K. The City Commission approved the settlement at its August 3, 2015 meeting. The RTAB approved the settlement on August 11, 2015.

- The first annual evaluation from the RTAB was conducted on July 29, 2015. It will be sent to the RTAB for review.
- Former Benton Harbor Public Safety Director Roger Lange brought a Whistleblower and Elliot Larson Civil Rights case against the City of Benton Harbor and former EM Tony Saunders. Mediation took place on July 17, 2015, with Jon March of Miller Johnson serving as the mediator. No settlement was reached.

Ecorse

RTAB Appointed: May 1, 2013

RTAB Members: Edward Koryzno, Robert Bovitz, Joyce Parker

Recent Developments

- Treasury has been informed that Joyce Parker announced her resignation from the RTAB, effective October 31, 2015. Potential replacements are being considered.
- The degree of State oversight may be reduced if the city can convincingly show a commitment to the cost saving measures they have proposed.
- The City's new full-time controller, Tim Sadowski has replaced the previous part-time contracted controller.
- On September 22, 2015, the City Manager reported that the new controller is revising the current budget and 5-year financial plan. It was discovered that the baseline was inaccurate, according to the City Manager. Treasury will be analyzing the budget and financial plan and discussing issues with the city. One challenge includes reducing fire service costs, which must be realized soon to keep the financial plan solvent.

Significant Actions/Issues

- The city continues to have difficulty attracting qualified candidates and filling higher level administrative positions.
- Municipal Employee's Retiree System pension contributions are anticipated to increase from \$1.8M in FY 15 to \$2.4M in FY 16 due to accelerated funding for closed plans.
- On May 12, 2015, the RTAB approved a narrowly balanced FY 16 Budget. To balance the budget, the city increased an existing P.A. 33 levy by approximately 15 mills.

Flint

RTAB Appointed: April 29, 2015

RTAB Members: Frederick Headen, Brian Larkin, David McGhee, Beverly Walker-Griffea, Robert McMahan

Recent Developments

- On August 7, 2015, a Genesee Circuit Court lawsuit, Shears v. Flint, invalidated a previous 35% increase in water and sewer rates, reverting back to 2011 rates. This injunction also requires the city to repay \$15.7M from the General Fund to the Water Fund, prevents the city from collecting certain past due water bills, and from disconnecting water service for nonpayment. The City has estimated that this injunction could potentially cost the General Fund \$50M. Thus far, the city's appellate efforts have not been successful. Most recently, Judge Archie Hayman certified Shears v. Flint as a class action.
- As a result of Shears v. Flint decision which required the city to roll back water rates by 35%, the Finance Director on October 1, 2015 estimated that revenue has decreased by \$666K per month and projects a loss of \$6.6M for the remainder of the fiscal year. In

addition for the period of August 10, 2015 thru September 2, 2015, the city has realized \$1.75M less in cash receipts as the same period last year due to a decrease in payment activity.

- Separate litigation was held that Emergency Manager Mike Brown had no statutory authority to later ratify water and sewer rate increases from May of 2012. The city filed an appeal to the Michigan Supreme Court, but the court did not address the appeal because the city missed the filing deadline by one day. The case has been remanded back to Genesee County Circuit Court to resolve some outstanding matters. Treasury is discussing the need for additional legal representation with the city.
- Concerns have been raised about the amount of lead in the city's water system after a study by Virginia Tech University suggests that the amount is much higher than standard testing shows. The city is in compliance with state and federal lead standards but will be adding a corrosion inhibitor into the treatment process to reduce the amount of lead leaching into the system. The city is also providing free and independent water quality testing to residents. Treasury is monitoring this issue closely.
- Mayor Walling has issued a letter to the State requesting \$20M in funds to assist the city in making needed capital improvements to its water system plus another \$10M to address the issue of lead leaching into the system.
- On September 11, 2015, Genesee County Circuit Court dismissed a case (*Coalition for Clean Water v City of Flint*) to force the city to purchase water from the City of Detroit.
- The RTAB approved ballot language for the renewal of the Regional Flint Mass Transportation Authority millage. The proposed renewal is for five years at the current 0.6 mills per year and will appear on the November 2015 ballot.
- The Economic and Community Development Director resigned in August 2015. Current staffing vacancies also include the Treasurer and the Human Resources Director.
- As a result of a recent review, the State Tax Commission notified the city it must maintain adequate assessment records in compliance with statutes and State Tax Commission Rules, and must implement any corrective actions necessary. In addition, the city shall implement a full reassessment within a time frame agreed upon with the State Tax Commission. The city has issued an RFP and is reviewing the proposals.
- The city has been informed they no longer need to inform residents that it is in violation of the Clean Water Standards Act. Results from the first monthly test, since the installation of the granulated active-charcoal filter, showed that the city is in compliance with the federal Drinking Water Act. The city hired Echologics at a cost of \$895,850 to perform a leak detection study. This project commenced in August 2015 and is approximately 1/3 complete.

Significant Actions/Issues

- Genesee County 911 assumed dispatch responsibilities for city police and fire on August 17, 2015. This merger was approved in 2014 and is expected to save the city \$1M per year.
- On August 12, 2015, the RTAB approved a transfer of \$323K from the Fire Department to the Police Department to hire five additional patrol officers. The city has initiated a hiring process.
- The KWA pipeline is expected to be completed in June 2016. The two pump stations are approximately 75% complete and the intake is completed.
- The city is implementing Veolia recommended improvements to its water system, including water plant improvements, distribution system improvements, new policies and

procedures, and better communication with customers. The city installed a \$1.5M granulated active-charcoal filter to improve water quality. All twelve filters are installed and are in use.

- If the city loses a lawsuit over retiree healthcare, the EM's two-year budget does not assume an additional \$5M to \$6M annual expense.

Hamtramck

RTAB Appointed: December 18, 2014

RTAB Members: Deborah Roberts, Mark Stema, Cathy Square, Karen Young

Recent Developments

- The city is undertaking a \$6M sewer infrastructure improvement project which is eligible for State Revolving Fund monies. The project will reduce storm water inflow into sanitary sewers. Certain rehabilitation elements of the project will commence on October 15, 2015 and conclude in spring 2016. The sewer relief portion will begin in December 2015 and will be completed next summer.
- The city is pursuing a third party police study which will help administrators review options for reducing costs and providing more efficient service.
- The contractor Tyler Technologies is reassessing all residential and commercial properties.

Significant Actions/Issues

- The City Council adopted the FY 16 Budget on June 17, 2015. The RTAB approved this action on June 23, 2015. The city has also developed a long-term capital improvements plan.
- A suit was filed in federal court by Hamtramck retirees over changes to healthcare benefits made in October 2014. The potential exposure to the city is currently unknown.
- The annual pension liability is anticipated to increase from \$3.5M in FY 15 to \$4.3M by FY 19. This increase is a result of closing certain pension plans and the Michigan Employee's Retirement System (MERS) policy of accelerating the required contribution for closed plans. The increases were included in the EM's two-year budget.

Pontiac

RTAB Appointed: August 19, 2013

RTAB Members: Edward Koryzno, Louis Schimmel, Keith Sawdon, Robert Burgess

Recent Developments

- On September 14, 2015, the City Council approved Jane Bais-DiSessa for the position of Deputy Mayor. The RTAB approved this appointment on September 16, 2015.
- On July 6, 2016, Oakland County Circuit Court Judge Michael Warren dismissed the lawsuit filed by the city against Ottawa Towers LLC/ Phoenix Center. Treasury is working with the city to move forward with the sale to a private operator which could free up \$2M in demolition funds.

Significant Actions/Issues

- On August 19, 2015, the RTAB approved filling the positions of Customer Service Representative and Community Relations Specialist. These positions will assist the Mayor with community and economic development activities.
- Per the city's FY 14 audit, the General Fund accumulated fund balance is approximately \$5M out of a total budget of \$27M.

- The city lost a decision at the Michigan Court of Appeals which may make it liable for a \$3.5M payment to the Police and Fire VEBA. The city requested reconsideration but was denied. In May, the RTAB approved the city's request to appeal to the MI Supreme Court.
- The City of Pontiac Retired Employees Association v. City of Pontiac lawsuit (in U.S. District Court) was reassigned from Judge Lawrence P. Zatkoff to Judge Avern Cohn. The lawsuit challenges former EM Schimmel's elimination of retiree healthcare and replacement with an annual stipend. The General Employees Retirement System Pension Fund is significantly overfunded and the parties are exploring options to use the overfunded portion to fund retiree healthcare. Mediation is taking place under the supervision of Eugene Driker.

CONSENT AGREEMENT

Inkster

Date Executed: February 20, 2012

Consent Agreement Consultant: Mark Stuhldreher

Recent Developments

- On June 29, 2015, a tentative agreement was reached with Wayne County to place a judgment levy on the tax rolls. The levy would run for five years and repay the county \$4.9M in past due sewer charges. The city is in discussions with Wayne County to postpone the levy until July 2016.
- On August 18, 2015, the Michigan Court of Appeals ruled (Trahey v City of Inkster) that the trial court erred in determining the city's 2012 water and sewer rates were unreasonable and ordering the city to issue \$2.55M in credits to residents for reduced water and sewer rates. The city is evaluating this decision.
- The city is collaborating with MSHDA and MEDC to seek new housing developments and development of several vacant commercial parcels. Inkster Police and the city will be utilizing an accumulation of training dollars to train police personnel and staff going forward.

Significant Actions/Issues

- On May 18, 2015, City Council approved the FY 16 Budget.
- On August 3, 2015, the City Council voted to change the employment status of City Manager, Richard Marsh to Special Advisor to the city. The City Council named City Treasurer, Mark Stuhldreher to the position of Interim City Manager. A search firm will conduct a national search to fill the City Manager's position.
- On April 20, 2015, the city adopted a working capital reserve policy for the Water and Sewer Fund which will provide funds for emergency situations.
On June 29, 2015, an Order was issued requiring the City Treasurer to approve all employment matters with city officials and employees, expenditure of funds, and all contracts.
- William Riley is Inkster's new Police Chief. Mr. Riley's start date was August 10, 2015. The new chief has been reaching out to community groups and the neighborhoods, and is fully engaged.

River Rouge

Date Executed: December 15, 2009

Consent Agreement Consultant: N/A (P.A. 72)

Significant Actions/Issues

- A fire union collective bargaining agreement was approved in March, resulting in a reduction in healthcare costs.
- The city adopted its FY 16 Budget on May 19, 2015. The budget is balanced and has a beginning fund balance of \$1,967,613. The city has prepared a proposed five-year budget that shows a deficit in FY 18 to FY 20 unless additional revenues can be found.

Royal Oak Township

Effective Date: April 21, 2014

Consent Agreement Consultant: Robert Burgess

Recent Developments

- The Township Board voted to extend the Consent Agreement Consultant's contract through March 31, 2016.
- The Consent Agreement Consultant, Treasury, and the Michigan State Police met with Oak Park City Manager on September 21, 2015 to discuss the city providing police services to the township.
- A six-month plan has been developed by Consent Agreement Consultant Robert Burgess, listing the priorities for the next several months. Treasury has been offering assistance to the consultant in implementing the plan's priorities.

Significant Actions/Issues

- On August 4, 2015, voters approved a renewal of 4.5 mills for general operations.
- On June 17, 2015, an Order was issued granting the Consultant broad authority to approve expenditures made by the township and ensure that obligations are being paid. The Order also gives the Consultant authority to invest the \$620K in reimbursed retirement assets with MERS.
- The Michigan State Police continues to provide police services to the township.
- The township audit was completed. Auditors recommend the township submit a Deficit Elimination Plan for 2014, select a firm to advise the township on financial matters, and perform an inventory of assets.
- Treasury learned that the Township Supervisor was regularly authorizing overtime for employees, though overtime was not included in the FY 15 Budget and the Consent Agreement requires State Treasurer approval prior to overtime expenditures. On May 20, 2015, an Order was issued requiring the Consultant to approve all requests for overtime prior to authorization.

Wayne County

Recent

- On September 15, 2015, the County Deputy Chief Financial Officer submitted a cash flow forecast as required by the Consent Agreement. It is under review by Treasury staff.
- AFSCME Council 25 attempts to block any changes to the terms and conditions of employment has failed at the state courts. On September 15, 2015, AFSCME filed a Motion for a Temporary Restraining Order to prevent changes to the terms and conditions of employment in Federal Court but it has not yet been granted. The County has filed a request with the United States District Court to deny the Temporary Restraining Order and to dismiss the lawsuit. No decision has been made.

Significant Actions/Issues

- On August 21, 2015, the County Board approved the Consent Agreement negotiated between the County Executive and State Treasurer.
- On June 10, 2015, the county reached a settlement with retirees on healthcare. The county will no longer provide health insurance but will instead provide a stipend to retirees. This will result in a savings of \$20M annually.
- The county's annual structural General Fund deficit is approximately \$52M prior to any of the proposed remedial actions.
- The county's proposed restructuring is approximately \$53M in General Fund savings, \$25M of which comes from changes to pension and healthcare benefits for active employees and healthcare benefits for retirees.
- The county has not yet proposed a long-term solution to its jail problems.

NEUTRAL EVALUATION**Highland Park**

Financial Review Team Appointed: December 2, 2013

Financial Emergency Declared: January 30, 2014

P.A. 436 Option Selected: Neutral Evaluation

Recent Developments

- On August 11, 2015, a report was issued by Meadowbrook Insurance on the progress of reducing the city's healthcare costs. When successfully implemented after October 1, 2015, the \$1.4M annual cost of healthcare could be reduced to \$630K.
- On August 24, 2015, City Council gave conditional approval to the settlement agreement between the city and DWSD over past due water and sewer bills. However, the city is waiting for a response from DWSD on other issues.
- The second phase of emergency loans is under discussion. It would consist of approximately \$4.7M to restructure the city's three outstanding emergency loans and \$11.5M to refinance outstanding debt.
- The city has purchased the first quantity of water meters at a cost of \$343K. Meter installation is underway.
- Wade Trim, the firm hired by Highland Park to manage the water and sewer operations, processed the first regular water and sewer bills to customers on August 13, 2015.

Significant Actions/Issues

- On June 29, 2015, City Council approved a substantial increase in water and sewer rates which will allow the city to fund water and sewer operations.
- On July 6, 2015, Wade Trim began duties to operate and maintain the water and sewer systems.
- Louis Schimmel was hired on June 29, 2015, to provide consulting services regarding water and sewer issues.
- On July 31, 2015, the water and sewer amnesty program expired. City Administrator Cathy Square stated the city will work with customers to settle their past due accounts.
- On May 18, 2015, the City Council approved a resolution requesting MDOT to pay for storm water drainage from the highways and freeways under state jurisdiction in the city. The City Administrator has indicated that the city has filed suit against both MDOT and Wayne County over storm water.
- On May 18, 2015, City Council approved a consultant's recommendation for an amnesty plan for residential customers to pay arrearage amounts owed to the city. The consultant has determined that if all customers take advantage of the amnesty plan, the city could collect \$2.08M. The city extended the amnesty plan until July 31, 2015 to allow more time for customers to pay past due accounts.
- The city's liabilities total \$99.9M. Some major components are: \$55.3M debt, including \$20.7M owed to the DWSD, and \$26.1M unfunded other post-employment benefits (OPEB).

EMERGENCY MANAGER - MUNICIPALITIES				
Unit of Government	Current Emergency Manager	Initial Appointment Date	Target Exit Date	Notes
City of Lincoln Park	Brad Coulter	July 3, 2014	January 2016	FY 15 ended with an estimated \$100K general fund operating surplus. Will submit DEP. Actuarial analysis published on 5/20/15 shows further decline in pension funding down 23%. Mathew Coppler, City Manager of Enfield, Connecticut accepted position of City Manager.
FINANCIAL REVIEW COMMISSION (FRC) – MUNICIPALITIES				
Unit of Government	Board Members	Appointment Date	Target Exit Date	
City of Detroit	Nick Khouri, John Roberts, Bill Martin, Mike Duggan, Brenda Jones, Darrell Burks, Lorrion James, Stacy Fox, Tony Saunders	November 12, 2014	NA	City held its bi-annual revenue estimating conference on 9/17/15 and submitted report to FRC on 9/28/15. Mayor Duggan briefed the FRC on 9/28/15 in closed session on his strategy and details of the pending collective bargaining agreement with the city's bus drivers.
RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB) - MUNICIPALITIES				
Unit of Government	Board Members	Appointment Date	Target Exit Date	Notes
City of Allen Park	Suzanne Schafer, Joyce Parker, Fredrick Frank, Karen Barann	September 26, 2014	NA	4-year CBA with police approved by Council and the RTAB despite concerns in increased costs. (RTAB vote was 2-1 to approve). RTAB approved 5-year financial plan on 5/15/15. Bond Tender extension expired on 10/1/15. \$11.21M of bonds were tendered.
City of Benton Harbor	Larry Steckelberg, Bret Witkowski, Marvin Raglon, Sharon Hunt	March 10, 2014	NA	Commission requested a hearing to discuss financial assistance re EM decisions made that resulted in legal fees and settlement costs. Former Public Safety Director brought Whistleblower and Elliot Larson Civil Rights case against the city. Mediation took place on 7/17/15, no settlement reached.
City of Ecorse	Edward Koryzno, Robert Bovitz, Joyce Parker	May 1, 2013	NA	Balanced 5-year financial plan completed. Difficult changes must be realized to comply. RTAB approved balanced FY 16 Budget on 5/12/15.

Public Act 436 of 2012 Summary

MUNICIPALITIES

City of Flint	Frederick Headen, Brian Larkin, David McGhee, Beverly Walker-Griffa, Robert McMahan	April 29, 2015	NA	As a result of lawsuit decision, city estimates that revenue will decrease by \$666K per month and projects a lost \$6.6M for remainder of the fiscal year. The injunction requires city to repay \$15.7M from the General Fund to the Water Fund. KWA pipeline expected to be completed in June 2016.
City of Hamtramck	Deb Roberts, Mark Stema, Karen Young, Cathy Square	December 1, 2015	NA	Undertaking a \$6M sewer infrastructure improvement project which is eligible for State Revolving Fund Monies. Project will reduce storm water inflow into sanitary sewers.
City of Pontiac	Edward Koryzno, Louis Schimmel, Keith Sawdon Robert Burgess	August 19, 2013	NA	On 9/16/15, City Council approved Deputy Mayor hire. City lost Supreme Court ruling to demolish Phoenix Center. Treasury working with city to move forward with sale to private operator which frees up \$2M in demolition funds. FY 16 Budget and 2015 tax rates approved by RTAB on 6/26/15.
CONSENT AGREEMENT - MUNICIPLITIES				
Unit of Government	Treasury Representative/Consultant	Date Executed	Term of Consent Agreement	Notes
City of Inkster	Mark Stuhldreher, Interim City Manager and City Treasurer/Finance Director	February 20, 2012	N/A	On 8/3/15, City Council voted to change the employment status of the City Manager to Special Advisor. Mark Stuhldreher appointed interim City Manager. Tentative agreement w/ Wayne County for judgement levy on tax rolls. Levy to run for 5 years and repay county \$4.9M in past due sewer charges. Collaborating with MSHDA and MEDC to seek new housing developments and development of several vacant commercial parcels.
City of River Rouge	N/A (P.A. 72)	December 15, 2009	N/A	FY 16 Budget adopted on 5/19/15. Proposed 5-yr budget shows a deficit in FY 18 to FY 20 unless additional revenues can be found.
Royal Oak Township	Robert Burgess	April 21, 2014	October 31, 2017	On 8/3/15, voters approved a renewal of 4.5 mills for general operations. Order issued on 6/17/15 granting the Consultant broad authority to approve expenditures made by the township to ensure obligations are being paid.
Wayne County				On 9/15/15, AFSCME filed motion for temporary restraining order to prevent changes to terms and conditions of employment in Federal Court. County filed request with US District Court to deny the temporary restraining order and dismiss lawsuit. No decision has been made.

				On 6/10/15, county reached settlement with retirees on healthcare to provide stipend in lieu of health insurance.
NEUTRAL EVALUATION - MUNICIPALITIES				
Unit of Government	Financial Review Team Appointed	Financial Emergency Declared	Date Option Selected	Notes
City of Highland Park	December 2, 2013	January 30, 2014	May 1, 2014	Wade Trim began operating and maintaining water and sewer systems on 7/6/15. 2 nd phase of emergency loans tentative for 9/24/15 – \$4.7M to restructure 3 outstanding loans and \$11.5M to refinance outstanding debt. On 6/29/15, Council approved substantial increase in water/sewer rates.
OTHER COMMUNITIES - MUNICIPALITIES				
City of Melvindale * City of Wayne *				
EMERGENCY MANAGER - SCHOOLS				
Unit of Government	Emergency Manager	Appointment Date	Target Exit Date	Notes
Detroit Public Schools	Darnell Earley	January 13, 2015	April 2016	Sodexo expected to petition for judgment levy for unpaid balance of \$26M. Hired a Deputy Superintendent of Finance and Operations. Continues to work on long-term strategy with E&Y/ Parthenon. Weekly meetings to monitor critical cash, shortfall of approximately \$78M for FY16. ORS delinquencies growing to approximately \$95.7M; reached agreement at \$750k per month and submit a plan to resolve balance due by October 2016. Pupil count projected to decline by 848 from 47,098 in FY 14-15 to 46,250 in FY 15-16.
Highland Park School District	Donald Weatherspoon	April 15, 2015	October 2016	Beginning in September 2015, DPS provides for educational services for grades 9-12. Renewal of non-homestead millage is scheduled for November 2015. Pupil count projected to decline by 40 students from 580 in 2014-15 to 540 in 2015-16.
Muskegon Heights School District	Steven Schiller	April 15, 2015	October 2016	Completed transition from Mosaica to ISD. ORS payments continue to go only towards interest payments, leaving the principal amount due

				untouched. Pupil enrollment projected to decline by 80 from 902 in 2014-15 to 822 in 2015-2016.
CONSENT AGREEMENT - SCHOOLS				
Unit of Government	Consultant	Appointment Date	Target Exit Date	Notes
School District of City of Pontiac	Donald Weatherspoon	October 15, 2013	September 2015	District expects to place before voters in March 2016 non-homestead millage, the same date as the Republican Presidential Primary. District expects to place before voters in May 2016 a 2.87 mill, 5-year sinking fund ballot measure. In August, a similar measure failed by less than 120 votes. Pupil count projected to decline by 14 from 4,329 in 2014-15 to 4,315 in 2015-16.
Benton Harbor Schools	Cynthia M. LaGrow	November 18, 2014	November 2016	Hired new CFO. Formally dismissed suspended superintendent and entered into a settlement agreement. Pupil count projected to decline of 101 from 2,428 in 2014-15 to 2,327 in 2015-16. Transitioned from Plante Moran to Berrien RESA for essential office admin support.
SCHOOLS WATCH LIST				
With the passage of 2015 PAs 109-111, Treasury is expected to have authority over the following deficit districts. * Flint * Hazel Park * Westwood * Mt. Clemens * Bridgeport Spaulding * Clintondale * New Haven * Vanderbilt * Southgate *				

From: Dickinson, Sarah (GOV)
Sent: Friday, December 18, 2015 4:52 PM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Agen, Jarrod (GOV); Emmitt, Beth (GOV); Bedan, Morgan (GOV); Utley, Corey (GOV); Dickinson, Sarah (GOV)
Subject: December 18 Weekend Briefing and Bill Packet
Attachments: 151218 Weekend Briefing.pdf; 1 [REDACTED]

Governor,

Attached is your December 18 Weekend Briefing and Bill Packet for review. The briefing contains:

- [REDACTED]
- **Meetings**
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- **For Review**
- [REDACTED]
- Local Government Update for Jan. 6 Meeting – Pages 58 – 72
- [REDACTED]
- **Signed Letters**
- [REDACTED]

Please let us know if you have any questions.

Thank you,
Sarah

Governor Rick Snyder
December 18, 2015
Weekend Briefing

Contents	Page
<p>Redacted</p>	

Redacted Pages 2-9

Redacted

IV. Transition to 2016

Redacted

E. Flint, review other infrastructure (water & sewer)

Redacted Pages 11-60

Redacted

Flint

RTAB Appointed: April 29, 2015

RTAB Members: Frederick Headen, David McGhee, Beverly Walker-Griffa, Robert McMahan

Recent Developments

Redacted

- On November 13, 2015, a complaint was filed in the U.S. District Court against State officials, City of Flint officials, and the former EM for the decision to utilize the Flint River as a water source for residents.
- On November 16, 2015, a Notice of Intent to Sue was filed in the U.S. District Court against state and City of Flint officials for violating the federal Safe Drinking Water Act requirements.
- Mayor Weaver declared State of Emergency on December 14, 2015.
- On August 7, 2015, a Genesee County Circuit Court lawsuit, Shears vs. Flint, invalidated a previous 35% increase in water and sewer rates, reverting back to 2011 rates. This injunction also requires the city to repay \$15.7M from the General Fund to the Water Fund, prevents the city from collecting certain past due water bills, and from disconnecting water service for nonpayment. The city's appellate efforts to date have not been successful. The city has requested financial assistance related to the litigation regarding water issues.
- Kincaid vs. City of Flint litigation was held that the EM had no statutory authority to later ratify water and sewer rate increases from May of 2012. The city filed an appeal to the Michigan Supreme Court, but the Court did not address the appeal because the city missed the filing deadline by one day. The case has been remanded back to Genesee County Circuit Court to resolve outstanding matters.

Redacted

Significant Actions/Issues

- On September 11, 2015, Genesee County Circuit Court dismissed the Coalition for Clean Water vs. the City of Flint case to force the city to purchase water from the City of Detroit.
- The KWA pipeline is expected to be completed in June 2016. The pipeline is 80% complete, the two pump houses are 90% complete and the intake is completed.

Redacted Pages 62-69

Public Act 436 of 2012 Summary

Redacted

RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB) - MUNICIPALITIES

Unit of Government	Board Members	Appointment Date	Target Exit Date	Notes
City of Flint	Frederick Headen, David McGhee, Beverly Walker-Griffea, Robert McMahan	April 29, 2015	NA	<ul style="list-style-type: none">* On 11/13/15, a complaint was filed in the U.S. District Court against state officials, City of Flint officials, and the former EM for the decision to utilize the Flint River as a water source for residents.* On 11/16/15, a Notice of Intent to Sue was filed in the U.S. District court against state and City of Flint officials for violating the federal Safe Drinking Water Act requirements.

Redacted Pages 71-84

Attachment Redacted as Irrelevant

Attachment Redacted as Irrelevant

Attachment Redacted as Irrelevant

Attachment Redacted as Irrelevant

From: Bedan, Morgan (GOV)
Sent: Friday, September 25, 2015 4:57 PM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Agen, Jarrod (GOV); Emmitt, Beth (GOV); Bedan, Morgan (GOV); Utley, Corey (GOV); Dickinson, Sarah (GOV)
Subject: September 25 Weekend Briefing and Bill Packet
Attachments: [REDACTED] 150925 Weekend Briefing.pdf

Governor,

Attached is your Weekend Briefing for September 25. The briefing contains:

- [REDACTED]
Events
- [REDACTED]
: **Redacted**
- **For Review**
- [REDACTED]
- Flint Water FAQ & Talking Points – Pages 54 – 58
- [REDACTED]
: **Redacted**

Please let us know if you have any questions.

Thank you,
Morgan

Attachment Redacted as Irrelevant

Attachment Redacted as Irrelevant

Governor Rick Snyder

September 25, 2015

Weekend Briefing

Contents	Page
Flint Water FAQ & Talking Points	54 – 58

September 28, 2015

Monday

8:30 AM - 9:00 AM

RDS/DM/DWyant - Conference Call Re: Flint Water -- By Phone
Per RDS

RDS to call:

Redacted pages 3-53



Frequently Asked Questions: **Water Lead Levels in the City of Flint** **September 2015**

How can lead get into drinking water?

Lead detections in Flint drinking water exist at the home level. Sampling at the Flint Water Treatment Plant has shown no lead in its treated water. However, this contaminant leaches into water from a home's lead service lines, lead solder, and leaded plumbing materials including fixtures, faucets, and fittings.

Does the city meet federal drinking water standards for lead and copper?

Yes, the city is meeting state and federal guidelines for lead and copper.

The City of Flint has regularly monitored for lead and copper since federal law began requiring it in 1991.

When the City changed water sources in May 2014, state and federal law required the city to sample for lead and copper for a full year to determine how the water may be interacting with residential lead plumbing to increase lead levels. While the city's results show residential lead levels below the federal threshold for immediate response activities, Flint is moving quickly to optimize corrosion control measures in its water system.

Some individual homes showed high numbers for lead. Isn't that a concern?

For the homeowner, yes it is. There is no "safe" level for lead, and while the leading cause of lead poisoning around the country is lead paint, any source of lead ingestion is worthy of concern.

But the State and federal guidelines for lead and copper acknowledge an important reality: Any home that has a lead service connection or lead plumbing will impart some varying amount of lead into the home's water. The only way to eliminate lead in a home water system is to remove lead plumbing or replace lead service connections to the city system.

The lead and copper rule requires the local operator to sample dozens, sometimes hundreds of homes in the service area to get a general sense of how the water supply is interacting with lead plumbing and service connections. The tests are done specifically at homes with lead service connections. Individual results vary and all participants are

Are there other ways the city monitors for lead exposure?

The County Health Department, overseen statewide by the Michigan Department of Health and Human Services, regularly monitors blood levels in children throughout Michigan communities. The leading cause of lead poisoning is exposure to lead paint.

Blood lead level testing results for the 12-month period just after the City of Flint changed its water source (May 2014 – April 2015) showed no significant change in the pattern of blood lead levels in Flint, compared to the previous three years. This data suggests the recent change in water source by the City of Flint has not contributed to an increase in lead exposure throughout the community.

How does the state decide if the water is creating a lead problem?

Compliance with the federal lead rule is based on a 90th percentile calculation. If more than 10 percent of samples report lead above the federal action level of **15 parts per billion**, a water supply has an “action level exceedance.” An exceedance is not a violation. It triggers other requirements which could include public notification, additional water quality sampling, and possibly further treatment.

While some of Flint’s individual samples exceeded the 15 parts-per-billion lead action level, compliance is based on **the 90th percentile of samples**. The City of Flint’s 90th percentile level has ranged between 0 parts per billion in 2008 and 2011, and 15 parts per billion in 1992, but never exceeded the action level.

The two most recent sampling periods, in 2014 and 2015, were 6 parts per billion and 11 parts per billion, respectively.

Did the city use every sample they got back?

Sampling requirements for lead and copper are designed to target the most common pathways to lead ingestion in homes with the least protection. The sample must be collected from a commonly used kitchen or bathroom tap, and in accordance with the provided sampling instructions. Homes that employ filtration or additional treatment cannot be included. Samples must also be collected within the established monitoring period.

I have a lead service connection or lead plumbing. What should I do?

Replacement is the only way to eliminate lead exposure. However, here are some interim steps homeowners can take to reduce it:

Flush pipes before drinking, and only use cold water for consumption.

The more time water has been sitting in your home's pipes, the more lead it may contain. When water in a particular faucet has not been used for six hours or longer, "flush" cold-water pipes by running the water until it becomes as cold as it will get. This could take five to 30 seconds if there has been recent water use elsewhere in the home, such as showering or flushing toilets. Otherwise, it could take two minutes or longer.

Use only water from the cold-water tap for drinking, cooking, and especially for making baby formula. Hot water is likely to contain higher levels of lead.

Who is responsible for replacement of lead materials?

Replacement of service pipes on private property and any leaded plumbing materials within the home is a **homeowner's responsibility**. The City of Flint owns the service pipe from the water main to the curb stop valve, and that is **the City's responsibility**. This valve is normally located two feet in from the street curb. From there to the house is private property and the responsibility of the homeowner.

Why doesn't the city at least replace its portion of lead service lines?

Partial lead service line replacement has been shown to mobilize more lead and make the situation worse. Only full lead service line replacement has been demonstrated effective in achieving long-term reductions in drinking water lead levels.

What is the City's timeline for installation of corrosion control treatment?

The federal government allows the steps to complete the installation of optimal corrosion control treatment and follow-up monitoring to take up to five years.

However, the City of Flint has committed to completing installation of Optimized Corrosion Control Treatment in **less than six months**.

What will happen when Flint joins the Karegnondi Water Authority next year?

The City has committed to having Optimized Corrosion Control Treatment in place prior to its connection with the Karegnondi Water Authority (KWA). The water provided by KWA will come from a new source, Lake Huron. The city will continue its lead and copper sampling every six months. Additionally, the city's water treatment plant will continue to operate with uninterrupted Optimized Corrosion Control Treatment.

How long would it take to replace lead service lines throughout Flint?

The city has about 32,900 service connections in total. **More than 15,000** of these connections are considered lead service lines. Even if many crews were contracted, it would likely take up to 15 years to complete this work.

What would it cost to replace the lead service line at my house?

Average costs to replace a lead service line at an individual home range from \$2,000 to \$8,000. Costs vary depending on the length and size of service line that is needed, as well as the ground cover and soil conditions encountered.

With more than 15,000 lead service lines at an estimated average cost of \$4,000 for each replacement, total cost could **be \$60 million or more**.

Blood Lead Levels in Flint Talking Points

September 24, 2015

- Promoting the health of our residents is a statewide priority – a priority that includes ensuring clean, safe drinking water for all residents and especially children.
- The results of the Hurley Children's Hospital are under review by the Michigan Department of Health and Human Services.
- The analysis that Hurley conducted is different from the way MDHHS has analyzed data regarding blood lead levels in Flint.
- MDHHS is looking to see if we can replicate the results of the Hurley study to see how they achieved their results.

MDHHS Blood Lead Testing Results in Flint

- MDHHS data shows a comprehensive look at the data since 2010, years before the change in Flint's water source occurred in April 2014.
- Each year shows a seasonal increase in childhood lead poisoning in the summer months, the highest seasonal increase of which occurred in 2010.
- If elevated blood lead levels were being driven by the change in water, we would expect to see the elevated levels remain high after the change in water source, rather than follow the seasonal pattern as they did by decreasing in the fall months.
- All data included in the MDHHS analysis were reported by laboratories directly to MDHHS, in accordance with State Law.

Differences in Analysis

- MDHHS data provides a much more robust picture of the entire blood lead levels for the Flint area, and specifically, accounts for data over the full course of the past five years.
- Looking at the past five years as a whole provides a much more accurate look at the seasonal trends of lead in the area.
- Seasonal exposure is higher in the summer for a variety of reasons including children playing outside in the soil, and when windows are open and lead paint is more likely to be in the air. This seasonal increase would be unrelated to the water system.
- Our data includes children from the entire city, including all medical facilities, rather than just Hurley, has a larger age group of children, and includes a much larger sample size.
- The MDHHS analysis looks specifically at the first elevated blood lead level for each child, which provides an accurate picture of when first exposure occurred.

- The Hurley data includes a smaller sample size, much more limited time period (January-September of 2013 and 2015 only), and a smaller age group of children.

WIC Children

- In homes with infants on WIC, if the household has documentation from an official source of unsanitary water supply issues, that family may be eligible to receive ready-to-feed formula. Families should contact WIC to see if they are eligible.
- Each household would have to be looked at on an individual basis.
- WIC cannot cover bottled water.

Redacted pages 59-69

From: Dickinson, Sarah (GOV)
Sent: Tuesday, October 06, 2015 8:44 AM
To: Thelen, Mary Beth (DEQ)
Subject: FW: Flint Water updates

Hi Mary Beth – I'll look for these updates to come from your team every day. Let me know if there are any questions.

Thank you!
Sarah

From: Emmitt, Beth (GOV)
Sent: Tuesday, October 06, 2015 8:39 AM
To: Dickinson, Sarah (GOV) <DickinsonS@michigan.gov>
Subject: FW: Flint Water updates

From: Wyant, Dan (DEQ)
Sent: Tuesday, October 06, 2015 8:30 AM
To: Scott, Allison (GOV) <scotta12@michigan.gov>
Cc: Emmitt, Beth (GOV) <emmittb@michigan.gov>; Agen, Jarrod (GOV) <AgenJ@michigan.gov>
Subject: Re: Flint Water updates

Yes.

Sent from my iPhone

On Oct 6, 2015, at 8:23 AM, Scott, Allison (GOV) <scotta12@michigan.gov> wrote:

See below - DAN can your team assist with daily updates to GOV for his nightly briefing so he is not up to date. Your team would be responsible for collecting info from other depts involved etc

Let me know if you have questions or concerns

Thanks

Thanks

Sent from my iPhone

Begin forwarded message:

From: "Agen, Jarrod (GOV)" <AgenJ@michigan.gov>
Date: October 6, 2015 at 8:20:24 AM EDT
To: "Scott, Allison (GOV)" <scotta12@michigan.gov>
Cc: "Clement, Elizabeth (GOV)" <clemente@michigan.gov>, "Muchmore,

Dennis (GOV)" <muchmored@michigan.gov>

Subject: Re: Flint Water updates

Update from Dan in briefing. Comms to also send update for briefing on stories or announcements upcoming. But Dan will have most accurate testing and analysis details to report.

On Oct 6, 2015, at 8:14 AM, Scott, Allison (GOV)
<scottal2@michigan.gov> wrote:

What is most effective accurate rout? Dan provided update for briefing each day or does Comms shop speak to DEQ Comms and provide?

Sent from my iPhone

On Oct 6, 2015, at 8:05 AM, Snyder, Rick (GOV)
[REDACTED] wrote:

We need a better update system re Flint Water.

I saw in the press this am that DHHS announced yesterday that water filters would start being given out today. This should have come internally with more detail. I had press questions last night.

Overall, we should have a daily report on Flint until our recommendations are fully implemented.

For example:

1. What are the water test results from the public schools?
2. How many free test have been requested? How many have been done? How many remain and how long have they been waiting? What are the results - no lead, lead consistent with history, higher levels?
3. How many filters have been distributed? How many unfulfilled requests?
4. New blood test results? Especially in the two zip codes.
5. Analysis of tech advisory group

6. Analysis of the GLWA vs. Flint River vs. KWA.

Thanks

Rick

Sent from my iPad

From: Dickinson, Sarah (GOV)
Sent: Tuesday, October 06, 2015 5:32 PM
To: [REDACTED]
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Agen, Jarrod (GOV); Emmitt, Beth (GOV); Bedan, Morgan (GOV); Utley, Corey (GOV); Dickinson, Sarah (GOV)
Subject: October 7 Daily Briefing
Attachments: 151007 Daily Briefing.pdf

Governor,

Attached is your Daily Briefing for October 7. The briefing contains:

- [REDACTED]

Events

- [REDACTED]

Meetings

- [REDACTED]

For Review

- Flint Water Update – Pages 40 - 41

Please let us know if you have any questions.

Thank you,
Sarah

Governor Rick Snyder

October 7, 2015

Daily Briefing

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For Review	
Flint Water Update	40 - 41

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Flint Water Update from DEQ

The Flint Drinking Water Action Plan was announced on October 2, 2015. It included the following:

- Testing in Flint public schools immediately
- Offered free water testing to Flint residents
- Provided free water filters to residents with concerns or who are included in state assistance programs
- Expanding health exposure testing of individual homes
- Accelerating corrosion controls in the Flint drinking water system
- Accelerating water system improvements to address replacing lead service lines
- Expediting the completion of the Karegnondi Water Authority pipeline
- Expanding a Safe Drinking Water Technical Advisory Committee
- Named Dr. Eden Wells as the Flint drinking water public health advisor
- Boosted a comprehensive lead education program

Testing in Flint Public Schools Immediately

Samples were taken on October 2 and were received at DEQ laboratory over the weekend. Test results to date indicate 37 samples tested, 4 of which exceeded a federal action level, and 1 of those 4 was a significant outlier. We will be compiling detailed information about which schools and area codes the test results came from and will be providing that information in our next update.

We have met with DHHS, and we are working on developing response protocols, a communications plan, and guidance for schools when this data is reported.

Offered Free Water Testing to Flint Residents

We have received 4 sets of samples from Flint that represent individual residents. We will be compiling the total number and the results of those samples and reporting in a future report.

Provided Free Water Filters to Residents with Concerns or Who are Included in State Assistance Programs

DHHS held organizational meetings in Flint on October 5, and filter distribution by DHHS started on October 6. Nick Lyon in DHHS is taking the lead in filter distribution.

Expanding Health Exposure Testing of Individual Homes

Dr. Wells and Dan Wyant have been in conversations about a protocol for exposure testing. Dr. Wells will take the lead on developing the protocol.

Accelerating Corrosion Controls in the Flint Drinking Water System

A conference call was held with U.S. EPA Regional Administrator Susan Hedman and national corrosion control experts. We asked two questions:

1. Which is a safer water source – DWSD or Flint River?
2. If you don't have an opinion on the safer source, what criteria should we use for an evaluation?

EPA staff would not commit to a preference, but their evaluation of the criteria clearly lead to the conclusion that DWSD was a safer water source. EPA committed to submitting technical assistance to the Safe Drinking Water Technical Advisory Committee (Advisory Committee) meeting, which will be held on October 7 at 2:00 p.m. in Flint City Hall.

DEQ met with the Flint Mayor, the city manager, and their water staff. Flint agreed to expediting corrosion controls. We discussed the agenda for the Advisory Committee meeting. The Advisory Committee will be asked to evaluate two respective water sources at their Wednesday meeting.

We expect the Advisory Committee to recommend the water source that would address not only lead safety but also other water safety issues.

Accelerating Water System Improvements to Address Replacing Lead Service Lines

Conversations with Congressman Kildee and EPA have clarified the state would be allowed to use Drinking Water Revolving Loan funds to replace private drinking water service lines. Senator Ananich has been approached to introduce language clarifying the state's authority.

Expediting the Completion of the Karegnondi Water Authority Pipeline

Dan Wyant has talked to Genesee County Drain Commissioner Jeff Wright. Mr. Wright has provided a list of issues that would help expedite the completion of the Karegnondi Water Authority pipeline. They include truck weight and frost law exemptions, talent identification, and expediting permits.

Expanding a Safe Drinking Water Technical Advisory Committee

EPA has appointed their national technical expert to the Advisory Committee, and we have appointed Alfred Franzblau, M.D., Professor of Environmental Health Services, University of Michigan, to the Advisory Committee.

Named Dr. Eden Wells as the Flint Drinking Water Public Health Advisor

Boosted a Comprehensive Lead Education Program

Other Updates

- Dan Wyant was interviewed on 10/6 by CBS Evening News during filter distribution in Flint. Questions asked:
 - Was it a mistake to go to Flint River water?
Answer: We draw water from the surface waters; we treat it to safe drinking water standards. At issue is lead exposure. Lead exposure must be addressed. Actions are being taken to address the issue.
 - Did you put kids at risk?
Answer: Lead exposure is a serious issue, and steps need to be taken to limit lead exposure.
 - Why did it take so long?
Answer: DEQ has been there from the beginning addressing the issue of Flint water. Recent tests justify and require the actions taken. Action steps address short-term, intermediate, and long-term lead issues to ensure public safety and confidence of the drinking water.
- Dan Wyant also spoke to the Governor about Flint funding needs. A meeting is scheduled for October 7 at 8:00 a.m. to further discuss proposals.
- What we are telling Flint citizens is:
 - Have your water tested
 - Use only cold water for drinking, cooking, and preparing formula
 - Run water before use if it has not been used for several hours
 - Obtain a water filter approved for lead removal
 - Purchase lead-free plumbing components
 - Remove entire lead service lines

Flint Water Update from Communications Team

- CBS Evening News was in Flint Monday and Tuesday with coverage slated to air during tonight's 6 p.m. news block nationally. Story isn't likely to be great, but should hopefully be fair and balanced. Will have ties into race, poverty, emergency management, and what state and locals did and knew when and how situation was handled.
- We helped arrange interviews with DEQ Director Dan Wyant and DHHS' Cheryl Thompson, who is the deputy director for the Department's field services, an African American and also a Flint resident. They did those interviews from the now up and running water filter distribution centers at one of the two DHHS Flint offices.
- They also did interviews with local Flint media.
- Majority of media coverage both in Flint locally and statewide today to date has been on free water filter distribution so has been generally more positive.
- Sen. Ananich was again urging immediate switch to Detroit water with comment "To me, the cost-benefit analysis that has cost on one side and brain damage for kids on the other -- it's incomprehensible."
- Erin Brockovich did an exclusive interview for WJRT TV 12 that's supposed to air tonight in the 5 p.m. news and the teaser is "one of the worst situations she's ever seen."

From: Dickinson, Sarah (GOV)
Sent: Wednesday, October 07, 2015 7:19 PM
To: 'snyder [REDACTED]
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Agen, Jarrod (GOV); Emmitt, Beth (GOV); Bedan, Morgan (GOV); Utley, Corey (GOV); Dickinson, Sarah (GOV)
Subject: October 8 Daily Briefing
Attachments: [REDACTED] 151008 Daily Briefing.pdf

Governor,

Some documents for the Press Conference are enclosed, but updated information may be sent from the Communications team later this evening.

Attached is your Daily Briefing for October 8. The briefing contains:

- [REDACTED]
- Events**
- Flint Water Press Conference – Pages 9 - 22
 - Briefing
 - FAQs for Media Q&A
 - Talking Points for Director Lyon and Dr. Wells
 - Communications and Outreach Plan
 - Press Release

- [REDACTED]
- Meetings**
- Call with Congressman Kildee – Pages 27 - 33
 - Governor Snyder Letter to Congressman Kildee
 - Kildee Response Letter to Governor Snyder
 - Kildee Letter to EPA, DHHS, CDC, FEMA
 - Kildee Letter to EPA Re: Loan Forgiveness

- [REDACTED]
 - [REDACTED]
- For Review**

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Redacted

Please let us know if you have any questions.

Thank you,
Sarah

Attachment Redacted as Irrelevant

Governor Rick Snyder

October 8, 2015

Daily Briefing

Contents	Pages
Redacted	
Events	
Flint Water Press Conference* 1. Briefing – Page 9 2. FAQs for Media Q&A – Page 12 3. Talking Points for Director Lyon and Dr. Wells – Page 15 4. Communications and Outreach Plan – Page 18 5. Press Release – Page 21	9 - 22
Dr. John J. Mames Chapter – MI Region Celebration of Life Gala (American Friends of Magen David Adom)	23 - 26
Meetings	
Call to Congressman Kildee 1. Governor Snyder Letter to Congressman Kildee – Page 27 2. Kildee Response Letter to Governor Snyder – Page 28 3. Kildee Letter to EPA, DHHS, CDC, FEMA – Page 29 4. Kildee Letter to EPA Re: Loan Forgiveness – Page 31	27 - 33
Redacted	

*Communications team may be sending updated info tonight

Redacted pages 2-8

Briefing: Flint Water System Press Conference

Thursday, Oct. 8, 2015

Mott Foundation/Commerce Center Building Ground Floor

519 S. Saginaw St., Flint

Communications: Sara Wurfel, 517-599-3470, wurfels@michigan.gov

Dave Murray, 517-449-8343, murrayd1@michigan.gov

Purpose:

We're announcing the decision to reconnect Flint to the Detroit Water and Sewerage Department, a collaborative effort between the state government, Flint city government and the Mott Foundation.

High level points:

- Protecting the health and safety of our residents in Flint and across Michigan is always our top priority.
 - All Michigan residents need access to safe, clean water.
- That's why today, in consultation with health and water experts in our state agencies, I'm advocating reconnecting the Flint drinking water with the Great Lakes Water Authority.
- I'm recommending to my partners in the Legislature that the state government provide \$6 million of the needed \$12 million to reconnect with authority.
 - The Flint city government has agreed to cover \$2 million of this cost, and the Charles Stewart Mott Foundation is generously offered to donate \$4 million.
- What you are seeing here today is a community coming together to work toward solving a problem.
 - I appreciate the assistance of Mayor Walling, and the U.S. Environmental Protection Agency.
 - This is a collaborative approach, and I appreciate that community organizations including the United Way and come forward to assist.

Agenda:

9:00 AM - 9:45 AM	Gov meets with Mayor Walling in [Room 1]
9:45 AM – 10:00 AM	Pre-Brief in [Room 2]
10:00 AM – 10:01 AM	Harvey Hollins kicks off press conference; introduces Governor
10:01 AM – 10:05 AM	Governor gives remarks
10:05 AM – 10:06 AM	Harvey Hollins introduces Mayor Dayne Walling
10:06 AM – 10:10 AM	Mayor Walling gives remarks
10:10 AM – 10:11 AM	Harvey Hollins introduces DEQ Director Dan Wyant
10:11 AM – 10:15 AM	Director Wyant gives remarks
10:15 AM – 10:16 AM	Harvey Hollins introduces DHHS Director Nick Lyon
10:16 AM – 10:17 AM	Director Nick Lyon introduces Dr. Eden Wells
10:17 AM – 10:20 AM	Dr. Eden Wells remarks
10:20 AM – 10:21 AM	Harvey Hollins introduces Ridgway White of Mott Foundation
10:21 AM – 10:25 AM	Ridgway White gives remarks
10:25 AM – 10:35 AM	Q&A from the podium
10:35 AM	Event concludes; Governor departs

Attendees: Roughly 20 in audience

Susan	Borrego	Chancellor, U of M Flint
Oscar	Overton	Pastor
Alfred	Harris	Pastor

Latrell	Holmes	Pastor
Jim	Ananich	Michigan Senate
Sheldon	Neely	Michigan House
Phil	Phelps	Michigan House
Jeff	Wright	Drain Commissioner, Genesee County
Amy	Hovey	Dan Kildee office
Jamie	Gaskin	Dan Kildee office
Tim	Herman	Flint Chamber of Commerce
Brian	Larkin	Flint Chamber of Commerce
Eric	Mays	Flint City Council
Jacqueline	Poplar	Flint City Council
Kerry	Nelson	Flint City Council
Joshua	Freeman	Flint City Council
Wantwaz	Davis	Flint City Council
Herbert	Winfrey	Flint City Council
Monica	Galloway	Flint City Council
Vicki	VanBuren	Flint City Council
Scott	Kincaid	Flint City Council

Speaker comments:

RDS – Collaboration led to solution, outline of solution

Mayor Walling – Importance of solution to Flint

Dan Wyant – School testing results, overview of steps on transition from Flint River to DWSD

Nick Lyon – DHHS involvement

Dr. Eden Wells – Testing of water going forward, use of filters approved by NSF

Ridgway White – Importance of collaboration/commitment to Flint

Talking points:

- Protecting the health and safety of our residents in Flint and across Michigan is always our top priority.
 - All Michigan residents need access to safe, clean water
- That’s why today, in consultation with health and water experts in our state agencies, I’m advocating reconnecting the Flint drinking water with the Great Lakes Water Authority.
- I’m recommending to my partners in the Legislature that the state government provide \$6 million of the needed \$12 million to reconnect with authority.
 - The Flint city government has agreed to cover \$2 million of this cost, and the Charles Stewart Mott Foundation is generously offered to donate \$4 million.
 - The Michigan Department of Health and Human Services and the Department of Environmental Quality today also is committing an additional \$3.5 million for water filters, free lead testing through the state laboratory for Flint water customers, and hiring additional staff to conduct health exposure monitoring for lead in drinking water.
- What you are seeing here today is a community coming together to work toward solving a problem.
 - I appreciate the assistance of Mayor Walling, and the U.S. Environmental Protection Agency.
 - This is a collaborative approach, and I appreciate that community organizations including the United Way and come forward to assist.
- Today’s announcement is an important step as we move forward together.
 - But it is not our first step, nor will it be our last.

- This announcement builds on work we've already set in place.
 - That includes \$4.2 million in state grants and loan restructuring to help identify and fix infrastructure problems.
 - State agencies have been working closely with Flint leaders and the community for more than a year.
- There will be more to do.
 - Flint has an aging water infrastructure system with challenges that we – together – will continue to address.
- We will continue to test Flint schools for lead levels in drinking water.
 - Schools across the state might also have questions.
 - The Department of Environmental Quality will work with districts across the state to provide testing.
 - Districts can send water samples and paperwork and the nominal charge. (It costs \$26 per sample).
- The steps outlined in the comprehensive action plan are still in effect.

Switch to Great Lakes Water Authority

What finally pushed the state to this decision?

This was the City's request, and the Governor supports it, based on several key factors:

In the near term, DWSD water will be easier to manage. It comes from a more stable source than the river, it is fully optimized for corrosion control, and it is clear that residents of Flint have more confidence in this water source.

Will this solve Flint's water crisis?

In combination with the other short term, intermediate term and long-term steps outlined last week, this move represents a big step forward. Flint still has serious system maintenance challenges it must address.

If you're saying residents will still have lead because of their plumbing, does that mean every other city in this state has a lead problem?

Many areas of the state have lead in their infrastructure mix.

Where's the state getting the money to fund this?

We have submitted a formal request to lawmakers via the appropriations process.

Where's the city getting the money to fund this?

The city is contributing all it can, and is getting assistance for its match from the Mott Foundation.

How long will the switch take?

The switch will be completed by the City and Great lakes Water Authority, but our understanding is that it can be accomplished in the very near term once the arrangements are complete.

How long will it take before Detroit's corrosion controls provide protection for Flint?

It will take some time for the corrosion control additives to build on pipe walls throughout the system. Estimates vary. The state can assure we will commence monitoring of the system early 2016 and report results as we get them to keep the community updated.

Why do residents still need to use filters and bottled water?

The filters and bottled water are responsible precautions for any resident concerned about lead exposure.

Do the filters actually work? We've been hearing they don't protect for lead.

Yes, the filters work. They are all certified for lead removal by the National Sanitation Foundation.

The filters are only good for 100 gallons. What happens when they are used up?

They will need to be replaced. And residents can get a new filter.

What about restaurants?

What's going to be done about lead service lines?

Long term, this is the only permanent solution to lead exposure. The state has committed to helping the city accomplish this goal long term.

Do you wish you'd made this switch sooner?

We support the City's decision. We can't look backward. We feel the state has responded quickly and effectively as information has surfaced, been investigated and verified. While the City of Flint is, right now, in compliance with the federal Lead and

Copper Rule, we recognize there is a disparity between surveillance testing and other testing happening in the community that we need to better understand and we are working on developing our knowledge.

Schools testing**What do these results say?**

The results say we need to further investigate Flint schools and help the schools find clearer causes for some the results we got.

Any theories about what's going on?

It is possible there are specific points in the plumbing that have lead components which need to be replaced, but we can't say anything definitively until we perform an investigation at each school.

Do the schools have lead service lines? If not, why are they getting such high results?

The schools we tested initially do not have lead service lines. There are a few possible reasons why lead is being detected at specific points in the buildings and not others. When we know things definitively, we will make the information public.

How long do the schools have to stay on bottled water? Just until the switch to Detroit, or longer term?

We are encouraging the schools to continue their current protective measures as a precaution until we can get into the buildings and get more answers.

Why did you only test 13 schools?

That was what the Flint Public Schools requested.

What happens to other schools?

We will test all the schools in Flint if they request it.

What about the schools that can't afford to update their entire plumbing systems?

This is why we are having plumbing assessments completed. There is no way to know yet what each building will require.

How confident are you in your testing? You've got results all over the map.

We are confident that our testing meets the requirements for the federal Lead and Copper Rule, which is surveillance monitoring. The bigger question is whether surveillance monitoring meets the public health protection standards that Lead Exposure Testing methods do. The EPA is working on that question now, and we are engaged in that dialogue.

What do you mean by "health exposure testing"? What are you doing next?

The 90th percentile of your results is still below 15 ppb. Does that make you more or less confident in your testing and in your protocols?

It makes us confident that the testing protocol delivers consistent results. But again, it does raise questions about whether this testing method shows what people think it does or what they really want to know, which is actual lead exposure from lead plumbing in a home.

Any idea how long kids have been exposed to lead? Was it before the move to the Flint River?

That is possible. We don't know.

How does the state bring this new information into the broader picture of kids' lead exposure across the state?

Blood Lead Levels in Flint Talking Points for Director Lyon and Dr. Wells

Water Filters

- Our first action item is to work closely with our public and private partners to provide water filters to Flint residents and MDHHS clients.
- To meet this priority, the governor identified one million dollars in state funding to purchase water filters for Flint residents.
- The Brita SAFF-100 filters being distributed by the department and GCCARD do meet the NSF/ANSI 53 standards for drinking water treatment units.
- The Brita faucet filtration system we are distributing are National Sanitation Foundation certified to reduce lead in drinking water.
- Free water filters are available to current Michigan Department of Health and Human Services clients and Flint residents who are on the Flint water system at four locations:
 - Flint residents who are not current MDHHS clients should visit one of two Genesee County Community Action Resource Department offices to obtain a filter.
 - at 2727 Lippincott and 601 North Saginaw in Flint
 - Current MDHHS clients in the city of Flint should visit their local MDHHS office
 - At 125 E. Union St. or 4809 Clio Road
- Staff will be onsite at all four locations from 9 a.m. to 4 p.m., Monday through Friday, to distribute filters and assist residents who have questions about proper installation.
- Extended hours are being offered at the Lippincott facility only, and will run until 7 p.m. on Thursday and Friday, and from 10 a.m. to 2 p.m. on Saturday. The other three locations will maintain 9 a.m. to 4 p.m. operating hours, Monday through Friday, for filter pick up.
- Given the questions and concerns regarding the change in water source in Flint, MDHHS authorized the use of emergency services funding to provide water filters for MDHHS clients receiving assistance in the city of Flint.
- This funding will support active Family Independence Program (FIP), Food Assistance Program (FAP), Child Development and Care (CDC), State Disability Assistance (SDA), State Disability Assistance (SDA), or Social Security Insurance (SSI) recipients so that they can obtain filters that are National Sanitation Foundation (NSF) certified to remove lead and ANSI Standard 53.
- MDHHS currently serves approximately 25,000 households in Flint.

School Testing and Results

- The state today also released the first results from its free lead screening program in schools.
- Out of 13 buildings tested, four samples spread over three buildings exceeded the federal action level of 15 parts per billion.
- However, this sampling provides only an initial screen, and MDHHS toxicologists will work with DEQ to conduct further testing.
- Schools on the Flint water system should continue using filtered or bottled water to protect against potential lead exposure.

Background Information

- Initial analysis of MDHHS data found that blood lead levels (BLLs) of children in Flint have followed an expected seasonal trend; due to small numbers further analysis was initiated.

- While this analysis of blood lead levels in Flint as a whole remains true, after a comprehensive and detailed review down to the zip code level, we have found that the state analysis is consistent with that presented by Hurley.
- Director Lyon is working closely with DEQ and the administration to take active steps to reduce all potential lead exposures in Flint, and across the state.
- Our Chief Medical Executive has been in communication with the lead investigator at Hurley Children's Hospital, and we continue to work with Hurley, the city of Flint, local and state leaders to verify and analyze data trends.
- Zip code-level data does show that there has been an increase in elevated childhood blood lead levels in specific communities.
 - This does not conclusively mean that the water source change is the sole cause of the increase, but data does show an association.
 - There is an increased proportion of children with elevated Blood Levels (ELBs) in several zip codes, particularly 03 and 04. These appear to have increased over the last 1.5 years.
 - Lead exposure can occur from a number of different sources (such as paint, gasoline, solder, and consumer products) and through different pathways (such as air, food, water, dust, and soil).
 - Although there are several exposure sources, lead-based paint is still the most widespread and dangerous high-dose source of lead exposure for young children in the US and Michigan.
- We reviewed MDHHS statewide data using the same methodology used by Hurley, looking at our numbers by zip code and age ranges, and filtering out non-Flint children.
- Routine surveillance of blood lead levels does not analyze data down to the zip code level. Detailed analysis like this occurs when there is reason to focus in on precise locations or populations.
- MDHHS is working closely with the Michigan Department of Environmental Quality, Hurley Children's Hospital, the Genesee County Health Department, and community organizations to initiate further action steps.
- We understand that cost may be a barrier to following the recommendations for drinking water, which is why NSF certified filters are being distributed to residents on the Flint water system free of charge.
- MDHHS is recommending that residents follow the Public Health Advisory issued by the Genesee County Health Department, as well as take further steps to reduce exposures to all forms of lead in and around their homes.

MDHHS Stats and Facts

- 'High Risk' Zip codes (48503 and 48504)
 - Blood lead level rates among children under six years of age in the high risk zip codes (48503, 48504) were 2.7 times higher than the rest of Genesee County before the switch to Flint River Water.
 - After the switch to Flint River Water, rates in the high risk Zip codes were 3.2 times that of the rest of Genesee County.
- Other Zip codes in Flint
 - Rates of elevated blood lead levels among children under six years of age in other parts of the city of Flint were 2 times that of the rest of Genesee County before the switch to Flint River Water.
 - The magnitude of the elevated rate remained roughly the same during the period after the water source switch.
- Lead abatement through MDHHS was federally funded up until FY14 when Michigan began providing additional funds to abate homes.
- In FY14, \$1.25M General Fund was added. In FY15, General Fund was bumped up to \$1.75M and FY16, General Fund remains at \$1.75M.

Reducing and Removing Lead Exposure

- In housing built before 1978, it can be assumed that the paint has lead unless tests show otherwise.
- Make sure your child does not have access to peeling paint or chewable surfaces painted with lead-based paint.
- Children and pregnant women should not be present in housing built before 1978 that is undergoing renovation. They should not participate in activities that disturb old paint or in cleaning up paint debris after work is completed.
- Create barriers between living/play areas and lead sources. Until environmental clean-up is completed, you should clean and isolate all sources of lead.
 - Close and lock doors to keep children away from chipping or peeling paint on walls. You can also apply temporary barriers such as contact paper or duct tape, to cover holes in walls or to block children's access to other sources of lead.
- Regularly wash children's hands and toys. Hands and toys can become contaminated from household dust or exterior soil. Both are known lead sources.
- Regularly wet-mop floors and wet-wipe window components. Because household dust is a major source of lead, you should wet-mop floors and wet-wipe horizontal surfaces every 2-3 weeks.
 - Windowsills and wells can contain high levels of leaded dust. They should be kept clean. If feasible, windows should be shut to prevent abrasion of painted surfaces or opened from the top sash.
- Take off shoes when entering the house to prevent bringing lead-contaminated soil in from outside.
- Prevent children from playing in bare soil; if possible, provide them with sandboxes. Plant grass on areas of bare soil or cover the soil with grass seed, mulch, or wood chips, if possible.
 - Until the bare soil is covered, move play areas away from bare soil and away from the sides of the house. If you have a sandbox, cover the box when not in use to prevent cats from using it as a litter box. That will help protect children from exposure to animal waste.
- Avoid using makeup, containers, cookware, or tableware to store or cook foods or liquids that are not shown to be lead free.
- Remove recalled toys and toy jewelry immediately from children.
- Use only cold water from the tap for drinking, cooking, and making baby formula. Hot water is more likely to contain higher levels of lead. Most of the lead in household water usually comes from the plumbing in your house, not from the local water supply.
- Shower and change clothes after finishing a task that involves working with lead-based products such as stained glass, making bullets, or using a firing range.

WIC Children

- There are 855 infants participating in WIC in Flint.
- We are working with partners at the United Way to ensure that WIC families have access to water filters and bottled water.
- In homes with infants on WIC, if the household has documentation from an official source of unsanitary water supply issues, that family may be eligible to receive ready-to-feed formula. Families should contact WIC to see if they are eligible.
- Each household would have to be looked at on an individual basis.
- WIC cannot cover bottled water.

Flint water action plan – next steps
Communications & Outreach Plan
DRAFT (10/7/2015)

Situation overview:

Water and concerns about lead levels in the city of Flint have been escalating since the city moved to the Flint River as its source of water after switching from DWSD in the spring of 2014 with local plans to move to a new water authority – the Karegnondi Water Authority or KWA – slated to be online in June 2016. Numerous tests have shown the water overall to be safe with non-detect lead levels when leaving Flint water treatment plant and below widely recognized federal action levels (15 ppb) in most surveillance monitoring. However, like many communities across the state and country, Flint's infrastructure is aging and hasn't been updated in decades, facing outdated lead service connections and lead pipes in individual homes. Some water tests have indicated definite elevated lead levels within some homes, neighborhoods and zip codes, with some children in those same areas also experiencing elevated lead levels, causing great concern for all parties.

Race, poverty and local governance (with city's history of emergency managers) have all been raised as issues or allegations, adding to the challenges.

Given all factors involved, it has been deemed prudent and best for public health and restoring confidence in water system to temporarily switch back to Detroit water, now governed by an entity called the Great Lakes Water Authority, as the city's water source until the new KWA is completed. A special technical advisory committee comprised of public health and drinking water experts has concurred and recommended such a path. The cost to do so is estimated at about \$12M over nine months. The state is proposing to cover about half of the cost with the city (\$2M) and community organizations (C.S. Mott Foundation at \$4M) pledging to cover the balance.

Goals/objectives:

- Ensure governor and state focus is on protecting public health and ensuring safe, accessible drinking water and all the action steps that are being taken to help ensure those two priorities.
- Minimize and diffuse finger pointing and tension between all stakeholders.
- Effective, concise communication that makes it clear for both residents and schools what next steps are and that state is committed to doing everything it can to help address situation in partnership and collaboration with city and community leaders.
- Restore confidence in Flint water.
- Convey shared responsibility to address.

Action steps/tools with timeline:

Wednesday, Oct. 7

- Coordinate with MI Depts of Environmental Quality and Health & Human Services
- Coordinate with Mott Foundation
- Find and finalize venue, logistics, establish security plan
 - Confirm live streaming capability and AV details (podium, sound system, mult box, lavalier and hand held mics, etc).
 - Determine visuals and room set up. Current plan is simply U.S., state of MI and city of Flint flags with "Taking Action on Flint Water" podium sign. (See attached).
 - Assure protest area, access and entrance points and plan, attendee list and contingency plans, etc
- Follow up discussions with DWSD, GLWA members (city, Oakland, Wayne & Macomb counties) and Mayor Duggan.
- Coordinate with Flint city communications
- Coordinate with DWSD/GLWA communications
- Coordination/briefing to MDE Superintendent of Schools Brian Whiston and DOC Director Heidi Washington

2 – 4:30 p.m. (TENTATIVE)

- Expanded technical advisory committee meets to discuss and evaluate corrosion control plans as well as potential implications and benefits of switch back to Detroit water.

3:30 p.m.

Governor briefs Senate and House Republican leaders

4:30 p.m. (TENTATIVE – dependent on timing and outcome of technical advisory committee)

- Send media advisory with basic notice of planned 10 a.m. press conference “to make an announcement re: Flint water”
- Scheduling invites Sen. Ananich and Reps. Neely and Phelps to press conference (no specific details yet)

5 p.m.

Touch base conference call with EO, DEQ, DHHS teams to close loops, share all latest information, determine last needed action items.

6 p.m.

- Send draft plan, release and all related materials to Governor and team for review and edit.

Thursday, Oct. 8

8 a.m.

- Team arrives in Flint to set up
- Final edits on all materials due to comms team.
- DEQ Director Wyant briefs Sen. Ananich and Reps. Neely and Phelps on specifics of next steps/plan briefs
- Governor calls Cong. Dale Kildee and briefs him on next steps/plan
- Bill McBride briefs U.S. Sens. Gary Peters & Debbie Stabenow

9 a.m.

- Meeting with Governor, Flint Mayor Walling, DEQ, DHHS, Mott Foundation to finalize details
- DEQ water testing lab and DHHS public health teams contact the Flint schools to share the testing results and next steps on protocol, actions
 - Flint Schools Superintendent Bilal Tawwab
 - Genesee Co. ISD Superintendent
- DHHS Dr. Eden Wells briefs Genesee Co. Health Dept/Health Officer Mark Valacak
- DEQ briefs Genesee Co. Drain Commissioner Jeff Wright
- SBO Director John Roberts contacts Senate and House Appropriations Chairs (Sen. Dave Hildendbrand & Rep. Al Pscholka) re: Detroit water switch and supplemental request
- DEQ Director Wyant and DHHS Director Nick Lyon contact respective budget subcommittee chairs and vice chairs (Sens. Marleau & Green and Reps. Roger Victory & Chris Afendoulis) re: Detroit water switch and supplemental request
- Harvey Hollins/Dennis Muchmore brief/invite other key stakeholders TBD
 - Select group of ministers and pastors
 - Flint Chamber
 - UM Flint
 - United Way
 - Flint Community Foundation

9:45 – 10 a.m.

- Prebriefing to walk through press conference run of show, last Qs, etc.,

10 – 10:30 a.m.

- Press conference kicks off
(SEE RUN OF SHOW/BRIEFING)

10:05 a.m.

- News release goes out; posted to web site
- Social media posts

Qs/issues

Funding positioning – Gov is “asking Legislature,” “committed to finding match”, etc.

Roles of legislators, i.e. Cong. Kildee, Sen. Ananich, Reps. Neely and Phelps

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STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

RICK SNYDER
GOVERNOR

BRIAN CALLEY
LT. GOVERNOR

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Brad Wurfel, 517-284-6713
Department of Environmental Quality

Jennifer Eisner, 517-230-9804
Department of Health and Human Services

FOR IMMEDIATE RELEASE

Thursday, Oct. 8, 2015

Gov. Rick Snyder: Move back to Detroit water provides best protection for public health in Flint

State, Mott Foundation and city form partnership to fund switch

FLINT, Mich. – Flint families and children will be better protected by reconnecting with the Great Lakes Water Authority as the source of the city's drinking water, Gov. Rick Snyder said.

Snyder said Thursday that he will request the state Legislature to provide half, or \$6 million, of the \$12 million needed to reconnect with the authority. The Flint city government will provide \$2 million and the Charles Stewart Mott Foundation will donate \$4 million.

"All Flint residents need clean, safe drinking water," Snyder said. "The technical experts helping the city on its water advisory all agree this move back to the Great Lakes Water Authority provides the best public health protection for children and families. This effort today is the result of people coming together to solve a problem. I appreciate Detroit's willingness to reconnect with Flint, the Mott Foundation's generous donation, and the dedication of all parties to come together to protect Flint families and children."

The Michigan Departments of Environmental Quality and Health and Human Services today also committed an additional \$3.5 million for water filters, free lead testing through the state laboratory for Flint water customers, and hiring additional staff to conduct health exposure monitoring for lead in drinking water.

Flint city leaders requested the state's help to fund the reconnection after a Wednesday meeting of Flint's Technical Advisory Committee. Flint's move to the Great Lakes Water Authority is expected to cost about \$1.3 million per month until the Karegnondi Water Authority is completed next summer.

INSERT MAYOR QUOTE HERE

The move to Detroit water, which is drawn from Lake Huron, carries many public health benefits. As large bodies of water, the Great Lakes are naturally prone to fewer problems from large rain events and other runoff issues that can be present in shallower rivers. Additionally, the Great Lakes Water Authority has already fully optimized its corrosion control, using phosphates to help coat the insides of pipes and prevent lead from leaching into the water.

However, reconnecting with the authority will not completely resolve the city's problem with lead service lines or aging infrastructure. It will take time for pipes in Flint to become coated with the phosphate corrosion control. Additionally, some households in the city could experience lead in their drinking water until all lead pipes and plumbing are replaced.

INSERT MOTT FOUNDATION QUOTE HERE

To best protect public health, Snyder said state and local authorities will continue to carry out steps outlined on Oct. 2 in a comprehensive action plan, including continued testing, the use of faucet filters and providing residents with accurate information about steps to eliminate lead exposure.

Free filters are available for current MDHHS clients at the 125 E. Union St. or 4809 Clio Road MDHHS office locations. For residents who are not currently enrolled in MDHHS assistance programs, free filters are available at the Genesee County Community Action Resource Department offices at 2727 Lippincott and 601 North Saginaw in Flint. Staff will be at all four locations from 9 a.m. to 4 p.m., Monday through Friday, to distribute filters and assist residents who have questions about proper installation. At the Lippincott location only, extended hours will be offered this weekend, including until 7 p.m. on Thursday and Friday and from 10 a.m. to 2 p.m. on Saturday.

Other good practices for residents concerned about lead include turning on the cold water tap and running the water until it's as cold as it will go. Additionally, only use cold water for cooking, drinking and especially mixing baby formula.

School test results released; more investigation planned

The state today also released the first results from its lead screening program in schools and homes. Of 37 total samples taken at 13 buildings, four samples spread over three buildings exceeded the federal action level of 15 parts per billion.

However, this sampling provides only an initial screen, and the state is committing to further testing water and inspecting plumbing at these schools. Until testing is complete, schools are advised to continue using bottled water and filtration as a precaution to protect children.

In addition, free testing is still available for any other Flint school, including daycares and Head Starts. Free testing is also available for any Flint resident.

Additional information, including more detailed lead screening results, is available at www.michigan.gov/flintwater.

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Redacted pages 23-26



STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

October 2, 2015

RICK SNYDER
GOVERNOR

BRIAN CALLEY
LT. GOVERNOR

The Honorable Dan Kildee
U.S. House of Representatives
227 Cannon House Office Building
Washington, DC 20515

Dear Congressman Kildee:

As part of our ongoing dialogue related to the City of Flint's water, I want to make sure you are aware of the actions taken by the State of Michigan to ensure that the residents of Flint have access to safe, clean drinking water. These actions include:

1. Immediately testing Flint's public school district to ensure that drinking water is safe. Testing also will be available at no cost to any other school in Flint.
2. Expanding health exposure testing of individual residences.
3. Offering water testing at no cost to Flint residents to assure the water is safe.
4. Begin optimizing corrosion controls in the Flint drinking water system.
5. Convening a "Safe Drinking Water Technical Advisory Committee" to ensure the best technology, practices, and science are being utilized. This Committee will include an expert from the EPA's Office of Research and Development.
6. Accelerating water system improvements to address replacement of lead service lines.
7. Expediting completion of Karegnondi Water Authority.
8. Appointing Dr. Eden Wells as the Flint Drinking Water Public Health Advisor.
9. Providing water filters to residents of Flint.
10. Expanding a comprehensive lead education initiative.

While these actions will mitigate the risk of lead exposure in the immediate and long term, there are a number of federal regulatory hurdles that impede our ability to further reduce risk. As the federal representative for the City of Flint, I would appreciate your assistance on the following federal items:

1. Make federal Drinking Water Revolving Loan funds available for the replacement of private service lines.
2. Ease and/or eliminate restrictions on the purchase of bottled water for SNAP and WIC recipients. This should include a temporary, targeted increase in SNAP benefits so that the purchase of bottled water does not count against a recipients' current SNAP allocation.
3. Request that the EPA expedite promulgation of the long term revisions to the Lead and Copper Rule.

As the situation continues to evolve, I would also appreciate your assistance in the event that additional federal action is needed.

Thank you for your continued advocacy related to the City of Flint's water. I have appreciated the ongoing dialogue and am heartened to have a partner in ensuring that the residents of Flint have access to safe, clean drinking water. I look forward to continuing to work with you on this and many other issues of importance to Michiganders.

Sincerely,

Rick Snyder
Governor

DANIEL T. KILDEE
5TH DISTRICT, MICHIGAN

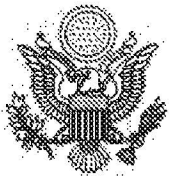
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HOUSING AND INSURANCE

SUBCOMMITTEE ON
MONETARY POLICY AND TRADE

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WWW.DANKILDEE.HOUSE.GOV

/REP/DANKILDEE
 @RepDanKildee

October 7, 2015

Governor Rick Snyder
Executive Office of the Governor
P.O. Box 30013
Lansing, Michigan 48909

Governor Snyder,

Thank you for your letter on October 2, 2015, regarding the state of Michigan's plans to respond to the crisis regarding the drinking water in Flint, Mich. I encourage you to immediately implement the action plan outlined so that Flint residents can have safe drinking water.

Moreover, you asked for my assistance in working with federal agencies to address this issue. Due to the urgent nature of this issue, I want to update you that my staff and I are working closely with Senators Stabenow and Peters and have been in communication with the appropriate agencies. I will continue to do everything I can to help address this issue at the federal level.

On September 22, 2015, I previously wrote letters to the U.S. Environmental Protection Agency, Department of Health and Human Services, Centers for Disease Control and Federal Emergency Management Agency requesting immediate assistance to provide safe drinking water to Flint.

In addition, on March 26, 2015, I sent a letter to the U.S. Environmental Protection Agency asking them to clarify if there is any statutory limitation on states to forgive the principal on loans made through the Safe Drinking Water State Revolving Fund.

Again, thank you for beginning to utilize your office's resources to help address the water quality in Flint. I look forward to working with you on the shared goal of helping the residents of Flint have safe drinking water.

Sincerely,

Dan Kildee
MEMBER OF CONGRESS

DANIEL T. KILDEE
5TH DISTRICT, MICHIGAN

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REP/DANKILDEE

@REP/DANKILDEE

September 22, 2015

Secretary Sylvia Matthews Burwell
U.S. Department of Health & Human Services
HHS Office of the Secretary
200 Independence Avenue, S.W.
Washington, DC 20201

Administrator William Craig Fugate
Federal Emergency Management Agency
500 C Street, S.W.
Washington, DC 20472

Administrator Gina McCarthy
Environmental Protection Agency
Office of the Administrator 1101A
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Director Tom Frieden
Centers for Disease Control and Prevention
1600 Clifton Road
Atlanta, GA 30329

Secretary Burwell, Administrator McCarthy, Administrator Fugate and Director Frieden:

Recent developments regarding the level of lead in the water in one of the communities I represent, Flint, Mich., have raised significant concerns about the safety of its drinking water. For this reason, I am requesting immediate resources to provide safe drinking water to the residents of Flint until additional testing can be completed that confirms the water is safe, particularly for young children.

Although the city of Flint and the Michigan Department of Environmental Quality have conducted tests and taken the position that the lead level in the water is safe and below the action level, there are significant questions about the efficacy of their testing. In fact, Dr. Marc Edwards of Virginia Tech University, an established drinking water expert, conducted his own tests as part of a study that determined the water in Flint was above the lead action level.

Additionally, yesterday the Greater Flint Health Coalition, a group of health professionals in the community, released a report showing elevated blood lead levels in residents in Flint, particularly in young children. In response, the Coalition has requested that the Genesee County Health Department release a health advisory indicating that the water in Flint is unsafe to drink.

Thus, I am requesting resources from your agency to provide clean drinking water to the residents of Flint until additional testing can determine when the water will be safe to drink and a long-term solution can be implemented.

This is a serious health issue, particularly for young children, and until the water is demonstrated to be safe, immediate action must be taken to ensure Flint's residents have potable drinking water.

I look forward to working with you and thank you for your immediate attention.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Kildee", with a stylized, flowing script.

Dan Kildee
MEMBER OF CONGRESS

DANIEL T. KILDEE
5TH DISTRICT, MICHIGAN

COMMITTEE ON
FINANCIAL SERVICES

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Congress of the United States
House of Representatives
Washington, DC 20515

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PLAZA LEVEL
FLINT, MI 48502
(810) 238-8627
(810) 238-8658 (Fax)

March 26, 2015

Ms. Gina McCarthy
Administrator, Environmental Protection Agency
1101 A
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Dear Administrator McCarthy:

My office has reached out to both the Office of Congressional and Intergovernmental Relations at the Environmental Protection Agency (EPA) and the Congressional Research Service (CRS) to determine if there are any statutory limitations on states to forgive the principal on loans made through the Safe Drinking Water State Revolving Fund (SDWSRF) program. After talking to both of these offices, there seems to be a difference in legal opinion between the two interpretations as to whether forgiveness of principal is statutorily allowed, and I am requesting further clarification.

The City of Flint, Mich., located in my district, continues to endure prolonged and severe financial stress due to the loss of thousands of manufacturing jobs, resulting in population loss and an erosion of its tax base. In an effort to improve the city's financial stability, Flint decided to end its 50-plus-year affiliation with the City of Detroit Water and Sewage Department in April of 2013. Instead, Flint would become a partner in the Karegnondi Water Authority (KWA) to bring raw water from Lake Huron to the city.

The water contract between the City of Detroit Water and Sewage Department and Flint was terminated in May of 2014. The KWA, however, will not be able to provide water to the city until its pipeline from Flint to Lake Huron is completed at the end of 2016. To fill the gap in service until the KWA is completed, Flint has turned to the Flint River as its current source for raw water. The Flint River has proven to have an inconsistent quality because of high levels of organic matter. Flint water officials have used high levels of trihalomethanes to treat the occasional elevated levels of organic matter in the water. On December 16, 2014, the Michigan Department of Environmental Quality cited the city for being in violation of water standards determined by the Safe Drinking Water Act (SDWA) due to high levels of trihalomethanes. In accordance with the SDWA, a cautionary notice about the citation was subsequently sent to residents.

Since its citation, Flint has engaged local and state leaders to find a solution for the poor quality of the water. On February 3, 2015, the state gave the city close to \$2 million to hire consultants to assess the condition and find leaks in the water infrastructure system. While this funding is a step in the right direction, it is not nearly enough to significantly improve the water quality.

This background on Flint's water situation is to point out that the SDWA is intended to improve drinking water in America's cities, such as Flint, by creating water quality standards and funding the SDWSRF to invest in water infrastructure. In addition to the high levels of trihalomethanes, the poor condition of water infrastructure in Flint, regardless of the water's source, contributes to discolored and poor tasting water. Furthermore, Flint currently suffers an over 35 percent loss ratio of water between the treatment plant and the end user. In the past, Flint has benefitted from the SDWSRF and currently has close to \$22 million in outstanding loans from it that the city has used to repair the water system. The financial stress of making payments on these loans, however, has prevented the city from making the necessary ongoing investments to its water infrastructure.

To decrease the burden of these loans, on January 18, 2015, Flint requested that the state of Michigan, as the responsible party in appropriating funds from the SDWSRF to local governments, forgive part of the principal. The state responded that forgiving the principal is not an option as the state does not have the authority to do so.

In response to the state's reply, on February 10, 2015, my staff reached out to the Office of Congressional and Intergovernmental Relations at the EPA to ask if they were aware of any statutory language that prevents principal forgiveness of loans made under the SDWSRF. On February 25, 2015, the EPA responded that they "could find ... no provision that would allow a state to [forgive an existing loan made from a Safe Drinking Water Act state revolving fund]."

On February 23, 2015, my staff also reached out to the CRS for their legal opinion on this matter. Although they could not find any precedent for doing so, the CRS did find two instances in statute that, in their opinion, allows states to forgive the principal on loans made through the SDWSRF.

First, SDWA sec. 1452(d)(1), 42 USC 300j-12(d)(1), states -- "Notwithstanding any other provision of this section, in any case in which the State makes a loan pursuant to subsection (a)(2) of this section to a disadvantaged community ... , the State may provide additional subsidization (including forgiveness of principal)."

Second, the Consolidated and Further Continuing Appropriations Act, 2015, Pub. Law 113-235, states on page 296 -- "Provided further, [t]hat not less than 20 percent but not more than 30 percent of the funds made available under this title to each State for Drinking Water State Revolving Fund capitalization grants shall be used by the State to provide additional subsidy to eligible recipients in the form of forgiveness of principal, negative interest loans, or grants (or any combination of these), and shall be so used by the State only where such funds are provided as initial financing for an eligible recipient or to buy, refinance, or restructure the debt obligations of eligible recipients only where such debt was incurred on or after the date of enactment of this Act;"

The difference in opinion between EPA and CRS has created ambiguity for the affected parties. The ability of states to forgive portions of the principal on loans made through the SDWSRF could have a significant impact on the financial state of Flint and many other distressed municipalities across the county. I would appreciate clarification from you on what, according to EPA's interpretation of the law, statutorily prevents states from forgiving the principal on loans made under the SDWSRF.

Due to critical nature of the water quality in Flint and the impact that loan forgiveness could have on improving the quality of the water, I ask for your prompt attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Kildee", with a stylized, flowing script.

Dan Kildee
MEMBER OF CONGRESS

cc:

Cathy Davis, EPA
Eileen Deamer, EPA
Robert Meltz, CRS

Redacted Pages 34-65

From: Dickinson, Sarah (GOV)
Sent: Wednesday, October 07, 2015 7:43 PM
To: [REDACTED]
Cc: Scott, Allison (GOV); Agen, Jarrod (GOV); 'Emmitt, Beth (GOV)'
Subject: RE: Flint Drinking Water Action Plan Update - FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGED
Attachments: 151008 DWyant Supplemental Briefing.pdf

Governor,

Attached is the supplemental briefing materials from Director Wyant.

Please let us know if you have any questions.

Thanks,
Sarah

From: Scott, Allison (GOV)
Sent: Wednesday, October 07, 2015 7:19 PM
To: Dickinson, Sarah (GOV) <DickinsonS@michigan.gov>; Snyder, Rick (GOV) [REDACTED]; Emmitt, Beth (GOV) <emmittb@michigan.gov>
Subject: Fwd: Flint Drinking Water Action Plan Update - FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGED

We will put in pdf for you

Sent from my iPhone

Begin forwarded message:

From: "Wyant, Dan (DEQ)" <WyantD@michigan.gov>
Date: October 7, 2015 at 7:09:27 PM EDT
To: "Scott, Allison (GOV)" <scotta12@michigan.gov>, "Muchmore, Dennis (GOV)" <muchmored@michigan.gov>, "Agen, Jarrod (GOV)" <AgenJ@michigan.gov>, "Dickinson, Sarah (GOV)" <DickinsonS@michigan.gov>, "Emmitt, Beth (GOV)" <emmittb@michigan.gov>
Subject: Flint Drinking Water Action Plan Update - FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGED

Governor Snyder,

I wanted to provide you with the attached documents to address a number of the questions that you are asking today. A full briefing for the press conference, including press release, talking points, run of show, and frequently asked questions, will be provided by your team. Included in this e-mail are the following attachments:

1. Flint Drinking Water FY 2016 supplemental budget request summary
2. Summary of the Flint schools water testing results and our response to the results
3. Drinking water regulations for monitoring lead in schools and child care centers

4. Response to the questions on corrosion control
5. Summary of today's Safe Drinking Water Technical Advisory Committee meeting
6. Flint City Council Minutes from March 25, 2013; the Resolution to Purchase Capacity from Karegnondi Water Authority; and the Amended Contract

Other Updates

Mayor Duggan and Sue McCormick of DWSD were contacted, briefed, and are supporting tomorrow's announcement. Both have indicated they would provide positive comments supporting the decision.

Dan Wyant

Governor Rick Snyder

October 8, 2015

Supplemental Briefing from DWyant

Contents	Pages
Summary: Flint Drinking Water FY2016 Supplemental Budget Request	2
Summary: Flint Schools Water Testing Results	3
Drinking Water Regulations for Monitoring Lead in Schools & Childcare Centers	4 - 5
Response to Questions on Corrosion Control	6
Summary: Safe Drinking Water Technical Advisory Committee Meeting notes from 10-7-2015	7
City Council Items: 1. Flint City Council Minutes from 3-25-13 – Page 8 2. Resolution to Purchase Capacity from Karegnondi Water Authority – Page 20 3. Amended Contract – Page 27	8 - 28

***NOTE: Other Update (from body of DWyant email; no document attached)

Mayor Duggan and Sue McCormick of DWSD were contacted, briefed, and are supporting tomorrow's announcement. Both have indicated they would provide positive comments supporting the decision.

City of Flint Water - Funding Solution
State of Michigan Commitment

Agency	GF/GP	Gross	Comments
Filters:			
Health & Human Services	\$1,016,000	\$1,016,000	AY15 work project
Health & Human Services	\$0	\$1,000,000	DEQ State Restricted Settlement Funds provided to HHS Emergency Services local office (FY16 appropriation).
Subtotal Filters:	\$1,016,000	\$2,016,000	
Reconnect to DSW:			Reconnection costs ~\$1.3m/month x 9 mos. to be shared by state & Flint
Environmental Quality	\$5,000,000	\$6,000,000	DEQ State Restricted Settlement Fund of \$1m; balance GF/GP
Subtotal Reconnect:	\$5,000,000	\$6,000,000	
Testing Costs:			
Environmental Quality	\$1,000,000	\$1,000,000	Additional tests at state lab; cost per sample: \$26
Subtotal Testing:	\$1,000,000	\$1,000,000	
Additional Agency Support:			
LARA	\$0	\$200,000	Support for plumbing inspectors to do schools (public and parochial) and health facilities (hospitals, Long Term Care, etc.).
MSHDA	\$0	\$249,900	
Health & Human Services	\$600,000	\$600,000	Follow-up on children with elevated blood levels
Environmental Quality	\$300,000	\$300,000	Home and school inspections.
Subtotal Additional Support:	\$900,000	\$1,349,900	
ALL TOTAL	\$7,916,000	\$10,365,900	

FLINT SCHOOL TESTING RESULTS:

WHAT DID WE FIND?

- 1) The results of the initial screening conducted over the course of the last week are consistent with the last round of community lead and copper testing.
- 2) There were a total of 37 samples taken from 13 schools. Of those 37 samples, 4 exceeded the 15 ppb action level. There were 3 schools that had samples exceeding the action level: Eisenhower Elementary (which had two samples exceeding 15 ppb). Brownell STEM Academy and Freeman Elementary each had one sample exceeding 15 PPB. The sample from Freeman Academy was significantly higher than the other samples at 101 PPB.
- 3) Looking at the data from a health based perspective, the data clearly demonstrates that more detailed sampling needs to occur so that the various sources of lead contamination contained within each respective school's plumbing can be identified and addressed.

WHAT DOES THE DATA MEAN?

- 1) The data underscores the need for a complete and thorough evaluation of the plumbing system within each school.
- 2) We have developed a protocol for evaluating the plumbing systems and we will be working with schools to implement these protocols and to assist them in determining a corrective action plan to address this issue.
- 3) The State is identifying staff within DEQ, DHHS, LARA and Local County Health Departments to assist schools in conducting evaluations of their plumbing systems.

WHAT IS YOUR PROTOCOL?

- 1) DEQ's protocols are based on similar work done in Michigan and in other States.
- 2) Multiple samples from each tap used for cooking or drinking water will be collected at prescribed intervals to identify levels of lead and its likely source.
- 3) Once an evaluation is complete, we will be able to assist each School in developing a comprehensive plan to address issues on a site specific basis.

HOW DO SCHOOLS RESPOND?

- 1) Schools should continue protective measures that are currently in place until a complete study can be conducted at each school. This includes the continued use of bottled water for consumption purposes.
- 2) We will be reaching out to schools to schedule a complete evaluation, assessment and sampling, of their plumbing systems.

Drinking Water Regulations for Monitoring of Lead in Schools and Child Care Centers

There is no federal or Michigan law requiring sampling of drinking water in schools that receive water from other public water systems, although schools that have their own water supply are subject to regulation and sampling as non-community public water systems. Schools served by a public water system may be included as a sampling site (i.e., tap) for a public water system's lead and copper monitoring program if there are insufficient single-family homes that qualify. There are no federal requirements for more extensive testing.

The 1986 Amendments to the Safe Drinking Water Act (SDWA) required EPA to develop regulations to control for lead in drinking water. The Lead and Copper Rule (LCR), issued in 1991, is focused on controlling corrosion within the distribution system that delivers water to customers. The 1986 SDWA Amendments also required that only lead-free materials be used in new plumbing and in plumbing repairs.

In 1988, the SDWA was further amended by the Lead Contamination Control Act (LCCA), to reduce the exposure of lead to children in schools and child care facilities. The LCCA prohibited the sale of any drinking water cooler that is not lead-free and required that:

- the EPA identify each brand and model of drinking water cooler, indicating which are lead free and which have a lead-lined tank and distribute the list to states (SDWA Sec. 1463),
- the Consumer Product Safety Commission order that manufacturers and importers of all drinking water coolers identified as having a lead-lined tank repair, replace, or recall and provide a refund for such coolers (SDWA Sec. 1462),
- the EPA publish a guidance document and testing protocol to assist states in determining the source and degree of lead contamination in school drinking water (SDWA Sec. 1464), and
- states establish programs to assist schools and child care facilities to test for and remedy lead contamination problems, with public availability of results of such testing (SDWA Sec. 1464(d)).

As a result of a 1996 court decision, States are not required to establish testing programs. In its decision, the Fifth Circuit held that provisions in section 1464(d) were unconstitutional under the Tenth Amendment to the U.S. Constitution because they directly compelled the state to enact and enforce a federal regulatory program and provided no options for the State to decline the program. The decision did not, however, restrict states from developing and carrying out their own programs to assist schools.

In 1989 and subsequent years, EPA released guidance and information to inform states and school systems how to test for and reduce the risk of lead exposure in school drinking water. EPA's guidance provides a protocol for testing water in schools and recommends that schools take action at fixtures where the lead concentration exceeds 20 ppb. This concentration differs from the 15 ppb action level that public water systems are required to follow. ***The 20 ppb action level is based on a smaller sample collection volume of 250 milliliters (ml) and is designed to pinpoint specific fountains and outlets that require attention.***

In 1990, Michigan did provide schools and licensed child care centers with information to assist in testing and remediating potential lead contamination of their drinking water as required by the Lead Contamination Control Act of 1988. This information included a sampling protocol and guidance on flushing their system to minimize lead exposure.

In 2004, EPA surveyed states to determine what additional programs may exist to control exposure to lead in drinking water at schools and child care centers. Forty-nine states, Puerto Rico, the District of Columbia and the Navajo Nation responded. Only 16 respondents indicated they have or will conduct special sampling or studies to target lead exposure at schools and child care centers. Michigan has not included any additional sampling programs or studies. However, some local agencies have conducted voluntary programs. For example, the W.K. Kellogg Foundation funded a program implemented by the Calhoun County Health Department that sampled schools in Battle Creek. In Michigan's response to this EPA survey, we included a recommendation for EPA to allow schools to be considered as a primary LCR monitoring site so that more information about lead levels in schools would become available. However, no changes in sampling criteria have occurred to date.

In 2005, a Memorandum of Understanding was signed between the EPA, the Department of Education, the Centers for Disease Control and Prevention (CDC), the American Water Works Association, the Association of Metropolitan Water Agencies, the Association of State Drinking Water Administrators, the National Association of Water Companies and the National Rural Water Association to facilitate actions that reduce children's exposure to lead from drinking water at schools and child care facilities.

Across the country and in Michigan, most schools and child care facilities receive water from other community water systems. However, those schools that have their own source of drinking water are considered non-transient non-community water systems and are subject to the LCR. In Michigan, there are 755 such schools and child care centers that must monitor for lead to demonstrate compliance.

Response to Corrosion Control Questions

- Lime Softening can affect the pH in water
- The pH of the water is one physical characteristic that can affect the leaching of lead from pipes into the water
- As per the requirements in the Lead/Copper rule the Flint Water system was evaluated for two consecutive monitoring periods and the results of the monitoring demonstrated that further action was necessary.
- The DEQ promptly notified the Flint water system of the need for additional measures and the city of Flint promptly began putting together an action plan to address this need.

From: Sygo, Jim (DEQ)
To: Thelen, Mary Beth (DEQ); Shaler, Karen (DEQ); Wyant, Dan (DEQ)
Subject: Fwd: TAC Meeting Highlights
Date: Wednesday, October 07, 2015 6:00:30 PM

Summary of advisory committee meeting

Sent from my iPhone

Begin forwarded message:

From: "Prysbym, Mike (DEQ)" <PRYSBYM@michigan.gov>
Date: October 7, 2015 at 4:56:44 PM EDT
To: "Sygo, Jim (DEQ)" <SygoJ@michigan.gov>
Subject: TAC Meeting Highlights

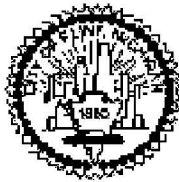
Below is a summary of the Flint TAC meeting to obtain the committee's endorsement to switch back to Detroit water.

1. The TAC endorses the switch back to the DWSD
2. Marc Edwards of VA Tech supports the switchover to DWSD with conclusion that Flint River water with corrosion control will still be 4 times more corrosive than water from DWSD after 5 weeks of treatment.
3. Genesee County states two weeks to prepare pipeline for re-use (flush, disinfect, sample, etc)
4. Supplemental corrosion control still needed with DWSD water and ACT 399 submittal can be made in approx one week.
5. No pros were brought to the table for staying on the Flint River.

Sent from my iPhone

City of Flint, Michigan

*Third Floor, City Hall
1101 S. Saginaw Street
Flint, Michigan 48502
www.cityofflint.com*



Meeting Minutes - Draft

Monday, March 25, 2013

5:33 PM

Agenda amended to include Board of Hospital Managers appointments

Council Chambers

CITY COUNCIL

*Scott Kincaid, President, Ward 9
Bryant W. Nolden, Vice President, Ward 3*

Claudia Croom, Ward 1

Joshua M. Freeman, Ward 4

Sheldon A. Neeley, Ward 6

Jacqueline Poplar, Ward 2

Bernard Lawler, Ward 5

Dale K. Weighill, Ward 7

Michael J. Sarginson, Ward 8

Inez M. Brown, City Clerk

CALL TO ORDER

President Scott Kincaid called the meeting to order at 5:33 p.m.

ROLL CALL

Councilperson Michael Sarginson arrived at 5:37 p.m.

Present: Councilperson: Councilperson Poplar, Vice President Nolden, Councilperson Freeman, Councilperson Lawler, Councilperson Neeley, Councilperson Sarginson, Kincaid, Councilperson Weighill and Councilperson Croom

PLEDGE OF ALLEGIANCE

Councilperson Sheldon Neeley led the Pledge of Allegiance.

SPECIAL ORDER

130217 Special Order/Information & Discussion/Karegnondi Water Authority (KWA)

A Special Order as requested by Council President Scott Kincaid to continue discussion and review of information on the Karegnondi Water Authority (KWA).

Presented

PETITIONS AND UNOFFICIAL COMMUNICATIONS

130193 Change to Digital/All Limited Basic Service Channels/Comcast Cablevision

Communication dated March 6, 2013, from Gerald W. Smith, Government Affairs Manager, Comcast, to Flint City Clerk, re: On or shortly after April 9, 2013, Comcast will convert all Limited Basic service channels -- including Public, Government and Educational Access (PEG) channels to digital format, and will provide customers with digital equipment.

This matter was Placed on File. The motion carried.

130199 Certified Letter/Loyst Fletcher, Jr. & Associates

Communication received from Loyst Fletcher, Jr. to Chief Legal Officer, re: He questions the tax-exempt status of Word of Life Christian Church, which received a tax bill from the city.

This matter was Placed on File. The motion carried.

130200 Local Approval Notice/Michigan Liquor Control Commission (MLCC)/Time Square/Ward 3

Local Approval Notice dated March 14, 2013, from MLCC to Flint City Clerk, re: The MLCC has received a request to transfer all stock in 2012 Class C license with Sunday Sales Permit (PM) and Dance Permit, located at 4522 N. Saginaw,

Flint, Michigan, 48505, Genesee County, held by the estate of Myra Seals, Inc., 1028 Cora Dr., Flint, MI 48532, to Carisa Mays Bishop, Personal Representative. [NOTE: Approval order enclosed.]

This matter was Placed on File. The motion carried.

- 130202** Local Approval Notice/Michigan Liquor Control Commission (MLCC)/D & R Market, Inc./Ward 6

Local Approval Notice dated March 6, 2013, and received March 15, 2013, from MLCC to Flint City Clerk, re: The MLCC has received an application from 2 AAR, LLC, requesting to Transfer Ownership of a Specially Designated Distributor (SDD) and Specially Designated Merchant (SDM) licensed business with Sunday Sales permit (PM) and Direct Connection-I to D & R Market, Inc., located at 1402-1404 N. Chevrolet, Flint, Michigan, 48504, Genesee County, from 2 AAR, LLC, 3079 Shattuck Arms Blvd., Apt. 5, Saginaw, MI 48603. [NOTE: The application was cancelled pursuant to a request from an attorney.]

This matter was Placed on File. The motion carried.

- 130204** Changes/Cable Channel Lineup/Comcast Cablevision

Communication dated March 18, 2013, from Gerald W. Smith, Government Affairs Manager, Comcast, to Flint City Clerk, re: effective on or about May 22, 2013, Fox Business Network/Fox Business Network HD (ch. 06/243) will from the Digital Preferred Service to the Digital Starter Service.

This matter was Placed on File. The motion carried.

- 130205** Media Alert/Flint Public Art Project/Announcement of Design Winner

Media Alert received via e-mail on March 19, 2013, from the American Institute of Architects (AIA), re: The Flint Public Art Project and the Flint Chapter of the AIA will announce the winner of the \$25,000.00 grand prize in the inaugural Flat Lot competition to design and build a temporary summer pavilion on Flint's central downtown parking lot at 9:30 a.m. Thursday, March 21, 2013, at the John Gazall & Associates, Mott Building, 503 S. Saginaw Street, Flint.

This matter was Placed on File. The motion carried.

- 130207** Damage Claims

MAYFIELD, LINDA, 2518 Walter Street, Flint, MI (WARD 2)
LANE, WILLIE C., 3130 Concord Street, Flint, MI (WARD 6)

This matter was Placed on File. The motion carried.

COMMUNICATIONS FROM CITY OFFICIALS

- 130194** Press Release/City of Flint/Hiring of New Police Officers/Recruitment of Others

Press Release dated March 11, 2013, from Jason Lorenz, City of Flint Public

Information Officer, re: The City of Flint has seven new police officers on the job from the public safety millage passed last November by voters. The city's next step is to hold a recruitment drive by working with a local college, which will set up a Police Academy when the city has gathered sufficient interest from its efforts.

This matter was Placed on File. The motion carried.

- 130195** Press Release/City of Flint/Sunday Sales of Alcohol Before Noon Not Permitted on St. Patrick's Day

Press Release dated March 12, 2013, from Jason Lorenz, City of Flint Public Information Officer, re: The City of Flint will not be able to permit Sunday alcohol sales before noon this Sunday, March 17, St. Patrick's Day. While the city adopted a resolution to allow a one-time exception to the Sunday morning alcohol ban, the Michigan Liquor Control Commission has taken the position that the city cannot create a one-day exemption.

This matter was Placed on File. The motion carried.

- 130196** Flint City Council/Public Notice/Special City Council Meeting/March 18, 2013

Public Notice posted March 14, 2013, re: The Flint City Council will hold a Special City Council Meeting, followed by a Finance Committee Meeting, at 5:30 p.m. Monday, March 18, 2013, in the City Council Chambers, 3rd Floor, City Hall, to consider a contract with the Karegnondi Water Authority (KWA).

This matter was Placed on File. The motion carried.

- 130201** Emergency Financial Manager (EFM) Order #10/Grant Applications

Order #10 issued by Emergency Financial Manager on March 15, 2013, "Grant Applications," re: "all city officials, department heads, division heads and employees shall adhere to ...requirements regarding the approval of any and all grant applications on behalf of the City of Flint or grant applications submitted by others which in any way involves the financial, programmatic or personnel support by the City of Flint." The five requirements, including the stipulation that only the Emergency Financial Manager or City Administrator are authorized to accept grants on behalf of the city, are included in the order.

This matter was Placed on File. The motion carried.

- 130203** Press Release/City of Flint/Flint Lifelines/Meeting Announcement

Press Release dated March 16, 2013, from Jason Lorenz, City of Flint Public Information Officer, re: Flint Lifelines, formerly CeaseFire Flint, will hold community meetings on the fourth Thursday of each month, beginning at 1 p.m. Thursday, March 28, 2013 at Flint Northwestern High School. The meetings are open to the public.

This matter was Placed on File. The motion carried.

130206 Flint City Council/Public Notice/Finance Committee Meeting/March 20, 2013

Public Notice posted March 19, 2013, re: The Flint City Council will hold a Finance Committee Meeting at 5:30 p.m. Wednesday, March 20, 2013, in the City Council Committee Room, 3rd Floor, City Hall.

This matter was Placed on File. The motion carried.

130208 Flint City Council/Public Notice/Special Affairs Committee Meeting/March 25, 2013

Public Notice posted March 22, 2013, re: The Flint City Council will hold a Special Affairs Committee Meeting at 5 p.m. Monday, March 25, 2013, in the City Council Committee Room, 3rd Floor, City Hall. A regular City Council meeting will immediately follow in the Council Chambers.

This matter was Placed on File. The motion carried.

130209 Traffic Engineering/Note for Bulletin/Street-Sidewalk-Lane Closures

Notes for Bulletin (3) dated February/March 2013, for street, sidewalk, or lane closures, re: (1) Harrison Street, Saginaw Street and Second Avenue (cable failure-March 11-March 20); (2) First Street, Harrison Street, Wallenberg, Kearsley, Crapo, Horrigan, and Harrison (St. Patrick's Day Pot O' Gold 4-Mil Run/Walk-March 17); and (3) Chevrolet Avenue (University Corner Grand Opening-March 22).

This matter was Placed on File. The motion carried.

Passed The Consent Agenda

A motion was made. The motion carried.

PUBLIC SPEAKERS**ROLL CALL**

Councilperson Dale Weighill left at approximately 7 p.m.

Present: Councilperson: Councilperson Poplar, Vice President Nolden, Councilperson Freeman, Councilperson Lawler, Councilperson Neeley, Councilperson Sarginson, Kincaid and Councilperson Croom

Absent: Councilperson: Councilperson Weighill

APPOINTMENTS**130169.1** Amendment/Reappointment/Zoning Board of Appeals/Christine Monk (Ward 6)

Amended resolution resolving that the Flint City Council recommends the reappointment of Christine Monk (821 Frank Street, Flint MI 48504 - Ward 6), to the Zoning Board of Appeals for a three-year term, commencing September

1, 2011, and expiring September 1, 2014. [By way of background, Ms. Monk's term on the Zoning Board of Appeals expired in September 2011, but she has continued since that time to serve.] [Resolution amended to fix typographical error in first paragraph of resolution from "Board of Review" to "Zoning Board of Appeals."]

Sponsors: Sheldon A. Neeley

A motion was made by Councilperson Neeley, seconded by Councilperson Freeman, that this matter be Approved. The motion carried by the following vote:

Aye: 8 - Councilperson Poplar, Vice President Nolden, Councilperson Freeman, Councilperson Lawler, Councilperson Neeley, Councilperson Sarginson, President Kincaid and Councilperson Croom

Absent: 1 - Councilperson Weighill

130211 Appointment/Zoning Board of Appeals/Chris Zuwala (Ward 4)

Resolution resolving that the Flint City Council recommends the appointment of Chris Zuwala (3510 Whittier Avenue, Flint MI 48506 - Ward 4) to the Zoning Board of Appeals for a three-year term, expiring September 1, 2013. [NOTE: By way of background, Gloria Kelly's term as the 4th Ward representative expired in September 2007, but she continued to serve until resigning in January 2013.]

Sponsors: Joshua M. Freeman

A motion was made by Councilperson Freeman, seconded by Councilperson Poplar, that this matter be Approved. The motion carried by the following vote:

Aye: 8 - Councilperson Poplar, Vice President Nolden, Councilperson Freeman, Councilperson Lawler, Councilperson Neeley, Councilperson Sarginson, President Kincaid and Councilperson Croom

Absent: 1 - Councilperson Weighill

130212 Reappointment/Zoning Board of Appeals/Birdie V. Brooks (Ward 5)

Resolution resolving that the Flint City Council recommends the reappointment of Birdie V. Brooks (1307 Columbia Lane, Flint MI 48503 - Ward 5), to the Zoning Board of Appeals for the remainder of a three-year term, expiring September 1, 2014. [By way of background, Ms. Brook's term on the Zoning Board of Appeals expired in September 2011, but she has continued since that time to serve.]

Sponsors: Bernard Lawler

A motion was made by Councilperson Lawler, seconded by Councilperson Neeley, that this matter be Approved. The motion carried by the following vote:

Aye: 8 - Councilperson Poplar, Vice President Nolden, Councilperson Freeman, Councilperson Lawler, Councilperson Neeley, Councilperson Sarginson, President Kincaid and Councilperson Croom

Absent: 1 - Councilperson Weighill

130213

Resolution resolving that the Flint City Council recommends the reappointment of Marcia Braden (984 Barney Avenue, Flint MI 48503 - Ward 8), to the Zoning Board of Appeals for the remainder of a three-year term, expiring September 1, 2014. [By way of background, Ms. Braden's term on the Zoning Board of Appeals expired in September 2011, but she has continued since that time to serve.]

Sponsors: Michael J. Sarginson

A motion was made by Councilperson Sarginson, seconded by Councilperson Freeman, that this matter be Approved. The motion carried by the following vote:

Aye: 8 - Councilperson Poplar, Vice President Nolden, Councilperson Freeman, Councilperson Lawler, Councilperson Neeley, Councilperson Sarginson, President Kincaid and Councilperson Croom

Absent: 1 - Councilperson Weighill

130214 Reappointment/Zoning Board of Appeals/David C. Veasley (Ward 9)

Resolution resolving that the Flint City Council recommends the reappointment of David C. Veasley (2618 Pinetree Drive, Flint MI 48507 - Ward 9), to the Zoning Board of Appeals for the remainder of a three-year term, expiring September 1, 2015. [By way of background, Mr. Veasley's term on the Zoning Board of Appeals expired in September 2009, but he has continued since that time to serve.]

Sponsors: Scott Kincaid

A motion was made by Councilperson Freeman, seconded by Vice President Nolden, that this matter be Approved. The motion carried by the following vote:

Aye: 8 - Councilperson Poplar, Vice President Nolden, Councilperson Freeman, Councilperson Lawler, Councilperson Neeley, Councilperson Sarginson, President Kincaid and Councilperson Croom

Absent: 1 - Councilperson Weighill

130215 Appointment/Genesee County Land Bank Citizens' Advisory Council/Anthony Tucker (Ward 4)

Resolution resolving that the Flint City Council recommends the appointment of Anthony Tucker (2960 Henry Street, Flint MI 48506 - Ward 4) to the Genesee County Land Bank Citizens' Advisory Council for the remainder of a three-year term, expiring in January 2016. [NOTE: By way of background, Dan Anderson's term as the 4th Ward representative expired in January 2013.]

Sponsors: Joshua M. Freeman

A motion was made by Councilperson Freeman, seconded by Councilperson Poplar, that this matter be Approved. The motion carried by the following vote:

Aye: 8 - Councilperson Poplar, Vice President Nolden, Councilperson Freeman, Councilperson Lawler, Councilperson Neeley, Councilperson Sarginson, President Kincaid and Councilperson Croom

Absent: 1 - Councilperson Weighill

130218 Reappointment/Hurley Board of Hospital Managers/Philip W. Shaltz

Resolution resolving that the Flint City Council approves the reappointment of Philip W. Shaltz (14144 Moffet Drive, Fenton, MI 48430) to an additional five-year term on the (Hurley) Board of Hospital Managers, with such term to commence May 1, 2013, and expire April 30, 2018.

A motion was made by Councilperson Freeman, seconded by Vice President Nolden, that this matter be Approved. The motion carried by the following vote:

Aye: 8 - Councilperson Poplar, Vice President Nolden, Councilperson Freeman, Councilperson Lawler, Councilperson Neeley, Councilperson Sarginson, President Kincaid and Councilperson Croom

Absent: 1 - Councilperson Weighill

130219 Appointment/Hurley Board of Hospital Managers/Delrico Loyd

Resolution resolving that the Flint City Council approves the appointment of Delrico Loyd (2641 Westwood Parkway, Flint, MI 48507) to a five-year term on the (Hurley) Board of Hospital Managers, with such term to commence May 1, 2013, and expire April 30, 2018. [By way of background, Carl E. Mason was appointed in June 2008; his term expires April 30, 2013.]

Approved

Substituted

A motion was made by Councilperson Neeley, seconded by Councilperson Lawler, that this matter be POSTPONED for March 27, 2013. The motion failed by the following vote:

Aye: 3 - Councilperson Lawler, Councilperson Neeley and Councilperson Sarginson

No: 5 - Councilperson Poplar, Vice President Nolden, Councilperson Freeman, President Kincaid and Councilperson Croom

Absent: 1 - Councilperson Weighill

Substituted

A motion was made by Vice President Nolden, seconded by Councilperson Freeman, that this matter be Approved. The motion carried by the following vote:

Aye: 5 - Councilperson Poplar, Vice President Nolden, Councilperson Freeman, President Kincaid and Councilperson Croom

No: 3 - Councilperson Lawler, Councilperson Neeley and Councilperson Sarginson

Absent: 1 - Councilperson Weighill

130220 Appointment/Hurley Board of Hospital Managers/Donna Poplar

Resolution resolving that the Flint City Council approves the appointment of Donna Poplar (5277 Kimberly Woods Circle, Flint, MI 48504) to a five-year term

on the (Hurley) Board of Hospital Managers, with such term to commence May 1, 2013, and expire April 30, 2018. [By way of background, Frances Gilcreast was appointed in August 2008; her term expires April 30, 2013.]

Approved

Substituted

A motion was made by Councilperson Lawler, seconded by Councilperson Neeley, that this matter be POSTPONED for March 26, 2013. The motion carried by the following vote:

Aye: 7 - Councilperson Poplar, Vice President Nolden, Councilperson Lawler, Councilperson Neeley, Councilperson Sarginson, President Kincaid and Councilperson Croom

No: 1 - Councilperson Freeman

Absent: 1 - Councilperson Weighill

RESOLUTIONS

130165.1 Amended Resolution/Contract/City of Flint/Karegnondi Water Authority (KWA)

Amended resolution resolving that city officials are authorized to enter into a contract with Karegnondi Water Authority (KWA) to purchase fifteen (15) units of capacity, AND, resolving that the City Administrator is authorized to provide KWA information needed to administer the contract, and, with approval of the Chief Legal Officer, to make minor (non-material) modifications to the contract. [NOTE: For each unit of capacity that a member purchases, the buyer shall pay to the KWA a one-time fee of \$32,300. Additionally, the buyer shall pay to the KWA not less than \$32,300.00 per unit per year until such time as water is made available to the buyer. After water is made available, the buyer shall pay to the KWA an estimated amount NOT-TO-EXCEED \$355,300.00 per unit per year until such time that the bonds are paid in full. If it is determined that the costs per unit will exceed \$355,300.00, the buyer has a right to cancel the contract. Over the next 25 years, it is expected that continuing with Detroit will cost the region \$2.1 billion, compared to \$1.9 billion with a pipeline.] [NOTE: Contract not included.] [NOTE: Resolution amended from 18 to 15 units of capacity.]

A motion was made by Councilperson Neeley, seconded by Councilperson Freeman, that this matter be Amended. The motion carried by the following vote:

Aye: 5 - Vice President Nolden, Councilperson Freeman, Councilperson Lawler, Councilperson Neeley and Councilperson Sarginson

No: 3 - Councilperson Poplar, President Kincaid and Councilperson Croom

Absent: 1 - Councilperson Weighill

130165.2 Amended Resolution/Contract/City of Flint/Karegnondi Water Authority (KWA)

Amended resolution resolving that city officials are authorized to enter into a contract with Karegnondi Water Authority (KWA) to purchase sixteen (16) units

of capacity, AND, resolving that the City Administrator is authorized to provide KWA information needed to administer the contract, and, with approval of the Chief Legal Officer, to make minor (non-material) modifications to the contract. [NOTE: For each unit of capacity that a member purchases, the buyer shall pay to the KWA a one-time fee of \$32,300. Additionally, the buyer shall pay to the KWA not less than \$32,300.00 per unit per year until such time as water is made available to the buyer. After water is made available, the buyer shall pay to the KWA an estimated amount NOT-TO-EXCEED \$355,300.00 per unit per year until such time that the bonds are paid in full. If it is determined that the costs per unit will exceed \$355,300.00, the buyer has a right to cancel the contract. Over the next 25 years, it is expected that continuing with Detroit will cost the region \$2.1 billion, compared to \$1.9 billion with a pipeline.] [NOTE: Contract not included.] [NOTE: Resolution amended from 15 to 16 units of capacity.]

A motion was made by Councilperson Neeley, seconded by Councilperson Freeman, that this matter be Adopted. The motion carried by the following vote:

Aye: 7 - Councilperson Poplar, Councilperson Freeman, Councilperson Lawler, Councilperson Neeley, Councilperson Sarginson, President Kincaid and Councilperson Croom

No: 1 - Vice President Nolden

Absent: 1 - Councilperson Weighill

130216 Approval/The First Amendment & Restated Rules Governing the Downtown Development Authority (DDA) of the City of Flint

Resolution that the City of Flint hereby approves and The First Amendment & Restated Rules Governing the Downtown Development Authority (DDA) of the City of Flint, attached hereto. [NOTE: The City of Flint created the DDA, in accordance with Public Act 197 of 1975, as amended, and approved The Rules Governing the DDA in 1977. Public Act 197 has been amended and revised at various times since then, which required the proposed changes.] [NOTE: The First Amendment & Restated Rules Governing the Downtown Development Authority (DDA) of the City of Flint is attached.]

A motion was made by Councilperson Freeman, seconded by Vice President Nolden, that this matter be Amended. The motion carried by the following vote:

Aye: 8 - Councilperson Poplar, Vice President Nolden, Councilperson Freeman, Councilperson Lawler, Councilperson Neeley, Councilperson Sarginson, President Kincaid and Councilperson Croom

Absent: 1 - Councilperson Weighill

130216.1 Amended Resolution/Approval/The First Amendment & Restated Rules Governing the Downtown Development Authority (DDA) of the City of Flint

Amended resolution that the City of Flint hereby approves and The First Amendment & Restated Rules Governing the Downtown Development Authority (DDA) of the City of Flint, attached hereto. [NOTE: The City of Flint created the DDA, in accordance with Public Act 197 of 1975, as amended, and approved The Rules Governing the DDA in 1977. Public Act 197 has been

amended and revised at various times since then, which required the proposed changes.] [NOTE: The First Amendment & Restated Rules Governing the Downtown Development Authority (DDA) of the City of Flint is attached.] [Resolution amended for changes to rules.]

A motion was made by Councilperson Freeman, seconded by Vice President Nolden, that this matter be Adopted. The motion carried by the following vote:

Aye: 8 - Councilperson Poplar, Vice President Nolden, Councilperson Freeman, Councilperson Lawler, Councilperson Neeley, Councilperson Sarginson, President Kincaid and Councilperson Croom

Absent: 1 - Councilperson Weighill

RESOLUTIONS - MAY BE REFERRED FROM S.A.

130210 Resolution/City Council/Mayor Dayne Walling/Request for Appointment of Transition Advisory Board

Resolution resolving that Mayor Dayne Walling and the Flint City Council request and recommend to Gov. Rick Snyder that a receivership transition advisory board be appointed for the City of Flint under Public Act 436 no later than July 1, 2013. [NOTE: On December 1, 2011, Gov. Snyder appointed Michael K. Brown as Emergency Manager under Public Act 4 for the City of Flint, due in part to a consistent deficit in the general fund, the decline in pooled cash, budget issues and unfunded liabilities for post-employment benefits. Due to the suspension and subsequent repeal of Public Act 4, Gov. Snyder appointed Edward J. Kurtz as Emergency Financial Manager under Public Act 72 for the City of Flint, effective August 9, 2012. Both the Emergency Manager and the subsequently appointed Emergency Financial Manager were authorized by virtue of their appointment to "act for and in the place and stead of the governing body and the office of chief administrative officer of the City of Flint." On March 28, 2013, Public Act 436 will become effective and provides that an emergency financial manager appointed and serving under state law immediately prior to the effective date shall continue to serve as an emergency manager under Public Act 436. As an alternative to continuation of an emergency manager, and if the financial emergency has been rectified, Public Act 436 authorizes the governor to appoint a receivership transition advisory board, which serves at the pleasure of the governor and monitors the affairs of the local government until the receivership is terminated.]

No vote was taken on this amendment.

Amended

130210.1 Amended Resolution/City Council/Mayor Dayne Walling/Request for Appointment of Transition Advisory Board

Amended resolution resolving that Mayor Dayne Walling and the Flint City Council request and recommend to Gov. Rick Snyder that a receivership transition advisory board be appointed for the City of Flint under Public Act 436 no later than July 1, 2013. [NOTE: On December 1, 2011, Gov. Snyder appointed Michael K. Brown as Emergency Manager under Public Act 4 for the

City of Flint, due in part to a consistent deficit in the general fund, the decline in pooled cash, budget issues and unfunded liabilities for post-employment benefits. Due to the suspension and subsequent repeal of Public Act 4, Gov. Snyder appointed Edward J. Kurtz as Emergency Financial Manager under Public Act 72 for the City of Flint, effective August 9, 2012. Both the Emergency Manager and the subsequently appointed Emergency Financial Manager were authorized by virtue of their appointment to "act for and in the place and stead of the governing body and the office of chief administrative officer of the City of Flint." On March 28, 2013, Public Act 436 will become effective and provides that an emergency financial manager appointed and serving under state law immediately prior to the effective date shall continue to serve as an emergency manager under Public Act 436. As an alternative to continuation of an emergency manager, and if the financial emergency has been rectified, Public Act 436 authorizes the governor to appoint a receivership transition advisory board, which serves at the pleasure of the governor and monitors the affairs of the local government until the receivership is terminated.] [Six-page resolution amended for changes proposed by City Council, City Clerk and Mayor Dayne Walling.]

A motion was made by Councilperson Freeman, seconded by Councilperson Poplar, that this matter be Adopted. The motion carried by the following vote:

Aye: 8 - Councilperson Poplar, Vice President Nolden, Councilperson Freeman, Councilperson Lawler, Councilperson Neeley, Councilperson Sarginson, President Kincaid and Councilperson Croom

Absent: 1 - Councilperson Weighill

MEETING SCHEDULE

ADDITIONAL COUNCIL DISCUSSION

ADJOURNMENT

Having no further business, Council President Scott Kincaid adjourned the meeting at 8:59 p.m.

Respectfully transcribed and submitted,

Janell Johnson. Administrative Secretary to City Council

EM SUBMISSION NO.: 2013EM041

PRESENTED: 3-28-13

ADOPTED: 3-29-13

BY THE EMERGENCY MANAGER:

**RESOLUTION TO PURCHASE CAPACITY FROM
KAREGNONDI WATER AUTHORITY**

The Karegnondi Water Authority (KWA) is a governmental consortium of cities and counties in southeastern Michigan that was created to build a water pipeline that will provide water from Lake Huron to interested communities in Sanilac, Lapeer, and Genesee counties. The incorporating bodies that created the KWA are Sanilac County, Lapeer County, Genesee County, the City of Flint, and the City of Lapeer.

The City of Flint is currently in a year to year contract with the City of Detroit for the purchase of water. A study was conducted that projected that staying with Detroit will cost the region \$2.1 billion over the next 25 years. In contrast, if the region builds its own pipeline, the projected costs are \$1.9 billion over the same period. After the initial 25 year period, the projected costs would be less than 25% of the projected water costs from Detroit.

In order to build the pipeline, the KWA needs commitment from its members regarding the capacity that each member will purchase in the pipeline. The KWA is allowed to withdraw 85 million gallons of water per day. Capacity is available to members in increments of 1 million gallons per day known as units. For each unit of capacity that a member purchases, the buyer shall pay to the KWA a one time fee of \$32,300.00. Additionally, the buyer shall pay to the KWA not less than \$32,300.00 per unit per year until such time as water is made available to the buyer. After water is made available, the buyer shall pay to the KWA an estimated amount not to exceed \$355,300.00 per unit per year until such time that the bonds are paid in full. If it is determined that the costs per unit will exceed \$355,300.00 the buyer has a right to cancel the contract.

The purchase of capacity along with the payment of other costs necessary to operate the pipeline gives the member a right to water for sale to its customers. The buyer has a right to resell capacity and water rights. Each party entering into a capacity contract shall also be entitled to appoint additional board members equal to the party's percentage share of the total capacity under contract.

It is in the long term best interests of the City of Flint to enter into a contract with the KWA to purchase up to eighteen (18) units of capacity.


IT IS RESOLVED that City officials are authorized to enter into a contract with KWA to purchase up to eighteen (18) units of capacity.

IT IS FURTHER RESOLVED that the City Administrator is authorized to provide KWA information needed to administer the contract and, with approval of the Chief Legal Officer, to make minor (non-material) modifications to the contract.

APPROVED AS TO FORM:

APPROVED AS TO FINANCE:



Peter M. Bade, City Attorney


For Gerald Ambrose, Finance Director

EM DISPOSITION:

ENACT ✓ FAIL _____

DATED 3-29-13


Edward L. Kurtz, Emergency Manager

Flint

Flint City Council approves resolution to buy water from Karegnondi, state approval still needed



[<http://connect.mlive.com/staff/dadams1/index.html>] By Dominic Adams | dadams5@mlive.com [<http://connect.mlive.com/staff/dadams1/posts.html>]
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on March 25, 2013 at 10:45 PM, updated March 26, 2013 at 1:28 AM

FLINT, MI – Flint is one step closer to getting its water from Lake Huron as part of the Karegnondi Water Authority.

The vote, **approved 7-1 at the Flint City Council meeting Monday, March 25**

[http://www.mlive.com/news/flint/index.ssf/2013/03/flint_city_council_again_delay.html] , may have set in motion the end to Flint paying to get its water from Detroit.

Under the proposal, Flint would get 16 million gallons per day of raw water from Lake Huron, pipe it to Flint for treatment and then sell it to customers throughout the city. Another 2 million gallons per day would come from the Flint River and will be treated in Flint.

Mayor Dayne Walling said the Department of Environmental Quality must approve Flint's getting 2 million gallons per day from the Flint River.

Tuesday's meeting followed weeks of discussions and special meetings surrounding the resolution.

"We got there," Councilman Joshua Freeman said. "That's the important thing."

There were more than 50 people at Monday's meeting.

"Going with Karegnondi is the best decision. We have no opinion on the economics of the decision," said Rebecca Fedewa, Flint River Watershed Coalition executive director. "If we start drawing water out of the Flint River, we are at risk of having to start releasing water from our reservoirs."

Genesee County Drain Commissioner Jeff Wright said the decision must still be approved by a county water and waste advisory board. The KWA board will then be reconvened for final approval.

Wright said construction could start in May.

State treasury officials still must approve the city council's move because Flint has an emergency financial manager. All expenditures over \$50,000 must be approved.

Genesee County Drain Commissioner Jeff Wright has said that Flint would pay roughly \$6.4 million annually for water service if it joined the pipeline – a nearly \$4 million savings on what it pays Detroit for water.

Walling previously said the **city would save \$19 million over eight years**

[http://www.mlive.com/news/flint/index.ssf/2013/03/flint_city_council_delays_deci.html] by getting water from the KWA.

"It's a historic night in the City of Flint," Walling said. "The savings will be less with the capacity level approved by city council because there will be increased treatment cost for the river water."

He said the DEQ told the city it needed to get 18 million gallons per day or there would have to be additional work done at Flint's water plant.

Flint's water plant and the Flint River is currently the backup for Flint and Genesee County, however, the plant only operates four times per year.

Councilman Bryant Nolden was the lone dissenting vote.

"It was a protest vote," Nolden said. "I knew they had enough votes. I just feel like the Flint River is our best option."

Karegnondi is the regional water authority that includes Genesee, Lapeer and Sanilac counties and the cities of Flint and Lapeer.

Flint is the second municipality, behind Genesee County, to officially decide to purchase raw water through the KWA. Lapeer city officials said they intend to purchase water, but an agreement has been finalized.

Dominic Adams is a reporter for MLive-Flint Journal. Contact him at dadams5@mlive.com or 810-241-8803. Follow him on Twitter [<http://www.twitter.com/dominicadams>], Facebook [<http://www.facebook.com/dominic.adams.1865>] or Google+ [<https://plus.google.com/103690672506808729911?rel=author>].

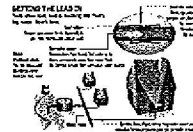


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GENESEE COUNTY DRAIN COMMISSIONER'S OFFICE

JEFFREY WRIGHT

COMMISSIONER

G-4608 BEECHER ROAD, FLINT, MI 48532

PHONE (810) 732-1590 FAX (810) 732-1474



FOR IMMEDIATE RELEASE

CONTACT: Jeff Wright

March 26, 2013

810-287-1925

What: Jeff Wright Statement on Flint City Council Approving Resolution to Join KWA.

When: March 26, 2013

Additional Info: Jeff Wright, CEO of the KWA, today praised the Flint City Council for voting to approve a resolution to officially have the City of Flint join the KWA and its' water line.

"I have said from the beginning that this decision must be made by Flint's City Council and Mayor," said Wright. "I appreciate the council voting the way they did, but even more than that, I am glad the residents of Flint were able to have their voices heard via their elected officials." The next step in the process will come with the KWA Board executing the contract for the City.

"The most important aspect from the vote is the fact that we as an Authority can move forward knowing Flint's intentions," said Wright.

Despite Emergency Manager Ed Kurtz publicly supporting the project, Wright had made a vote by council a condition of Flint joining the KWA so the residents would have their say.

"There is a basic tenet that government is best when it has local control. We saw that with the council vote. Nobody, whether they live in Flint, Grand Blanc, Davison, Fenton, or anywhere in Genesee County, should have these types of decisions made by people who live outside of their community," said Wright.

At the next Water and Waste Advisory Board meeting a vote will be taken to award a contract for construction of the intake portion of the water line. All bids were submitted to the board at their last meeting for review.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

ANDY DILLON
STATE TREASURER

Mr. Edward Kurtz
Emergency Manager
City of Flint
1101 South Saginaw Street
Flint, MI 48502

April 11, 2013

Dear Mr. Kurtz:

Thank you for your March 29, 2013 letter, which is attached for reference. As the Emergency Manager for the City of Flint ("Flint" or "City"), you have asked for my concurrence, pursuant to Public Act 436 of 2012, the Local Financial Stability and Choice Act, to authorize a contract in excess of \$50,000.00 not subject to competitive bidding. This request was related to the City entering into an agreement with the Karegnondi Water Authority (KWA) for provision of raw water for the City.

In considering your request, I took note of the following facts in support of Flint joining KWA. First, there is widespread support in the City for this move, including the support of the Mayor, the City Council, and the Emergency Manager. Second, this move will provide a unique opportunity for the City and County to partner on an important project, which will hopefully lead to future regional collaboration. Third, the Department of Environmental Quality is supportive of the City participating in the KWA project. Finally, your representations that this deal will lead to substantial savings for the City over the coming decades, savings that are desperately needed to help with the turnaround of the City of Flint.

It is my understanding that the Detroit Water and Sewer Department is making a final best offer to Genesee County and the City of Flint next Monday, April 15, 2013. As such, this approval will be effective at 5 pm on April 16, 2013 after receiving written notice from the City that either no such offer was presented to the county and the City or that an offer was received and was rejected in good faith based upon specified objections.

For the reasons described above and subject to the conditions set forth herein, pursuant to Section 12 (3) of PA 436 of 2012, I am authorizing you to proceed with adopting the resolution and entering into a contract with KWA.

Sincerely,

Andy Dillon
State Treasurer

Flint

Flint council supports buying water from Lake Huron through KWA



[<http://connect.mlive.com/staff/dadams1/index.html>] By Dominic Adams | dadams5@mlive.com [<http://connect.mlive.com/staff/dadams1/posts.html>]
Follow on Twitter [<http://www.twitter.com/dominicadams>]
on March 25, 2013 at 7:17 PM, updated March 26, 2013 at 7:43 AM

FLINT, MI -- Flint residents may soon get their water from Lake Huron.

The Flint City Council voted 7-1 to get 16 million gallons per day from the Karegnondi Water Authority.

"This is about compromise," said Councilman Sheldon Neeley.

Neeley got support from Councilman Joshua Freeman, after the two were previously at odds about the amount the city should withdraw from Lake Huron.

Councilman Bryant Nolden was the lone "no" vote.

"It was a protest vote," Nolden said. "I just feel like the Flint River is our best option."

Genesee County Drain Commissioner said construction of the pipeline could start in May.

The city currently pays to get its water from Detroit.

State treasury officials still must approve the city council's move because Flint has an emergency financial manager. All expenditures over \$50,000 must be approved.

Dominic Adams is a reporter for MLive-Flint Journal. Contact him at dadams5@mlive.com or 810-241-8803. Follow him on Twitter [<http://www.twitter.com/dominicadams>], Facebook [<http://www.facebook.com/dominic.adams.1865>] or Google+ [<https://plus.google.com/103690672506808729911?rel=author>].

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Resolution: 130165.2

Presented: 3-11-13

Adopted: 3-25-13

**AMENDED RESOLUTION TO PURCHASE CAPACITY
FROM KAREGNONDI WATER AUTHORITY**

BY THE MAYOR:

The Karegnondi Water Authority (KWA) is a governmental consortium of cities and counties in southeastern Michigan that was created to build a water pipeline that will provide water from Lake Huron to interested communities in Sanilac, Lapeer, and Genesee counties. The incorporating bodies that created the KWA are Sanilac County, Lapeer County, Genesee County, the City of Flint, and the City of Lapeer.

The City of Flint is currently in a year to year contract with the City of Detroit for the purchase of water. A study was conducted that projected that staying with Detroit will cost the region \$2.1 billion over the next 25 years. In contrast, if the region builds its own pipeline, the projected costs are \$1.9 billion over the same period. After the initial 25 year period, the projected costs would be less than 25% of the projected water costs from Detroit.

In order to build the pipeline, the KWA needs commitment from its members regarding the capacity that each member will purchase in the pipeline. The KWA is allowed to withdraw 85 million gallons of water per day. Capacity is available to members in increments of 1 million gallons per day known as units. For each unit of capacity that a member purchases, the buyer shall pay to the KWA a one time fee of \$32,300.00. Additionally, the buyer shall pay to the KWA not less than \$32,300.00 per unit per year until such time as water is made available to the buyer. After water is made available, the buyer shall pay to the KWA an estimated amount not to exceed \$355,300.00 per unit per year until such time that the bonds are paid in full. If it is determined that the costs per unit will exceed \$355,300.00 the buyer has a right to cancel the contract.

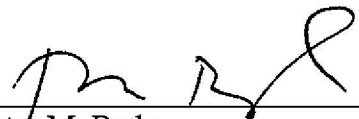
The purchase of capacity along with the payment of other costs necessary to operate the pipeline gives the member a right to water for sale to its customers. The buyer has a right to resell capacity and water rights. Each party entering into a capacity contract shall also be entitled to appoint additional board members equal to the party's percentage share of the total capacity under contract.

The City of Flint has decided that it is in its long term best interests to enter into a contract with the KWA to purchase SIXTEEN (16) units of capacity, plus TWO (2) units from the Flint River.

IT IS RESOLVED that City officials are authorized to enter into a contract with KWA to purchase SIXTEEN (16) units of capacity, plus TWO (2) units from the Flint River.

IT IS FURTHER RESOLVED that the City Administrator is authorized to provide KWA information needed to administer the contract and, with approval of the Chief Legal Officer, to make minor (non-material) modifications to the contract.

APPROVED AS TO FORM:



Peter M. Bade
Chief Legal Officer

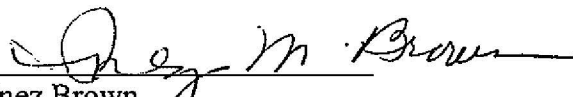
APPROVED AS TO FINANCE:

Gerald Ambrose
Finance Director

APPROVED BY MAYOR:

Dayne Walling
Mayor

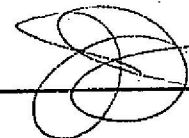
APPROVED BY CITY COUNCIL
ON: March 25, 2013



Inez Brown
Clerk, City of Flint

APPROVED BY
CITY COUNCIL

MAR 25 2013



Governor Rick Snyder
December 18, 2015
Weekend Briefing

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IV. Transition to 2016

E. Flint, review other infrastructure (water & sewer)

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Flint

RTAB Appointed: April 29, 2015

RTAB Members: Frederick Headen, David McGhee, Beverly Walker-Griffea, Robert McMahan

Recent Developments

Redacted

- On November 13, 2015, a complaint was filed in the U.S. District Court against State officials, City of Flint officials, and the former EM for the decision to utilize the Flint River as a water source for residents.
- On November 16, 2015, a Notice of Intent to Sue was filed in the U.S. District Court against state and City of Flint officials for violating the federal Safe Drinking Water Act requirements.
- Mayor Weaver declared State of Emergency on December 14, 2015.
- On August 7, 2015, a Genesee County Circuit Court lawsuit, Shears vs. Flint, invalidated a previous 35% increase in water and sewer rates, reverting back to 2011 rates. This injunction also requires the city to repay \$15.7M from the General Fund to the Water Fund, prevents the city from collecting certain past due water bills, and from disconnecting water service for nonpayment. The city's appellate efforts to date have not been successful. The city has requested financial assistance related to the litigation regarding water issues.
- Kincaid vs. City of Flint litigation was held that the EM had no statutory authority to later ratify water and sewer rate increases from May of 2012. The city filed an appeal to the Michigan Supreme Court, but the Court did not address the appeal because the city missed the filing deadline by one day. The case has been remanded back to Genesee County Circuit Court to resolve outstanding matters.

Redacted

Significant Actions/Issues

- On September 11, 2015, Genesee County Circuit Court dismissed the Coalition for Clean Water vs. the City of Flint case to force the city to purchase water from the City of Detroit.
- The KWA pipeline is expected to be completed in June 2016. The pipeline is 80% complete, the two pump houses are 90% complete and the intake is completed.

Redacted

Redacted pages 62-69

Public Act 436 of 2012 Summary

RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB) - MUNICIPALITIES				
Unit of Government	Board Members	Appointment Date	Target Exit Date	Notes
City of Flint	Frederick Headen, David McGhee, Beverly Walker-Griffea, Robert McMahan	April 29, 2015	NA	<ul style="list-style-type: none">* On 11/13/15, a complaint was filed in the U.S. District Court against state officials, City of Flint officials, and the former EM for the decision to utilize the Flint River as a water source for residents.* On 11/16/15, a Notice of Intent to Sue was filed in the U.S. District court against state and City of Flint officials for violating the federal Safe Drinking Water Act requirements.

December 15, 2015

Redacted pages 71-84

Attachment Redacted as Irrelevant

Attachment Redacted as Irrelevant

Attachment Redacted as Irrelevant

Attachment Redacted as Irrelevant

From: Rexford, Tori (GOV)
Sent: Tuesday, February 05, 2013 5:33 PM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Roberts, John (GOV); Emmitt, Beth (GOV)
Subject: February 6 Daily Briefing
Attachments: 130206 Daily Briefing.pdf

Governor,

Welcome back. Attached is your daily briefing for tomorrow. It contains:

- -
 -
 -
 -
 -
 -
 -
 -
 -
- # Redacted
- Public Safety Meeting Documents:

- Flint update from Treasury – Pg. 36

Redacted

Let us know if you have any questions.

Thanks,
Tori

Governor Rick Snyder
February 6, 2013
Daily Briefing

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Redacted	

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Redacted

Other Issues

- The EFM is nearing a decision on whether to join the Karegnondi Water Authority (KWA) or continuing with the Detroit Water and Sewer Department (DWSD). Treasury has been consulted throughout this process. A decision is expected in the coming weeks.

Redacted

Redacted Pages 40-57

From: Rexford, Tori (GOV)
Sent: Wednesday, March 06, 2013 5:14 PM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Roberts, John (GOV); Emmitt, Beth (GOV); Tomich, Zak (GOV); Utley, Corey (GOV); Hansen, Rachel (GOV); Rexford, Tori (GOV)
Subject: March 7 Daily Briefing
Attachments: 130307 Daily Briefing.pdf

Governor,

Attached is your daily briefing for tomorrow. It contains:

-
-
-

Redacted

- Flint Meeting Documents – Pg. 28
 - Update from Brian Larkin
 - Briefing from Strategy
 - Feb 1 Background from Treasury

-
-

Redacted

Let us know if you have any questions.

Thanks,
Tori

Governor Rick Snyder

March 7, 2013

Daily Briefing

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Other Issues

- The EFM is nearing a decision on whether to join the Karegnondi Water Authority (KWA) or continuing with the Detroit Water and Sewer Department (DWSD). Treasury has been consulted throughout this process. A decision is expected in the coming weeks.

Redacted Pages 34-40

From: Workman, Wayne (TREASURY)
Sent: Friday, August 14, 2015 11:40 AM
To: Headen, Frederick (Treasury); Dempkowski, Angela (Treasury); Pleyte, Beth (Treasury); Stanton, Terry A. (Treasury); Sampson, Jeremy (TREASURY); Agen, Jarrod (GOV); Wurfel, Sara (GOV)
Subject: FW: Local Government Memo and Summary
Attachments: Gov Memo August 2015.docx; 201508_436Summary.docx

From: Workman, Wayne (TREASURY)
Sent: Friday, August 14, 2015 11:38 AM
To: [REDACTED]
Cc: Muchmore, Dennis (GOV) <muchmored@michigan.gov>; Clement, Elizabeth (GOV) <clemente@michigan.gov>; Scott, Allison (GOV) <scotta12@michigan.gov>; Khouri, Nick (TREASURY) <KhouriN@michigan.gov>; Roberts, John (DTMB) <RobertsJ9@michigan.gov>; Baird, Richard (GOV) <bairdr@michigan.gov>; Walsh, John (GOV) <WalshJ@michigan.gov>; Redford, James (GOV) <RedfordJ@michigan.gov>; Allard, Claire (GOV) <allardc1@michigan.gov>; Wisniewski, Wendy (GOV) <wisniewskiw@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Koryzno, Edward (Treasury) <KoryznoE@michigan.gov>; Durfee, Sally (TREASURY) <DurfeeS1@michigan.gov>
Subject: FW: Local Government Memo and Summary

Governor Snyder, Attached is the latest update on distressed local governments along with a summary table. We can discuss in detail during our Tuesday briefing. Thank you, Wayne

Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: August 14, 2015
TO: Rick Snyder, Governor
FROM: Wayne Workman, Deputy State Treasurer
SUBJECT: Status of Financially Distressed Local Governments

EMERGENCY MANAGER

Lincoln Park

Emergency Manager: Brad Coulter

Appointed: July 3, 2014

Anticipated Exit: January 2016

Recent Developments

- A four-month plan has been developed, listing the priorities to be accomplished for the remainder of EM Coulter's term and beyond.
- The city is contemplating a lawsuit against the pension funds' actuary.
- PA 345 pension system millage of six mills will be on the November 2015 ballot. This is the second time PA 345 is going before Lincoln Park voters.
- The city ended FY 15 with an estimated \$100K General Fund operating surplus. The city has a General Fund deficit from previous years. EM Coulter will be submitting a Deficit Elimination Plan to Treasury.
- An actuarial analysis published on May 20, 2015, shows a further decline in pension funding down to 23%. More conservative actuarial assumptions were used in this report.
- EM Coulter has modified retiree collective bargaining agreements to reduce healthcare benefits. These changes were implemented in July 2015 and will reduce annual retiree healthcare costs from \$4.1M to \$600K.
- On August 10, 2015, the Lincoln Park Retiree Associations filed a lawsuit against the State of Michigan, Department of Treasury, and the City of Lincoln Park regarding the reduction of city retiree healthcare.
- Mathew Coppler, City Manager of Enfield, Connecticut, accepted the position of City Manager. His contract has been finalized and he will begin work October 1, 2015.

Lincoln Park (continued)

Significant Actions/Issues

- FY 15 ended with a General Fund accumulated deficit of \$636K, out of a total budget of \$21M. This is a significant increase from the FY 13 accumulated deficit of \$89K. Increases were in Public Safety - \$1.1M, Public Works - \$700K, and Culture and Recreation - \$600K.
- Last May voters rejected the Firefighters and Police Officers Retirement Act proposal by a 53% to 47% margin. Had it been approved, an additional \$3M annually would have helped fund fire/police pension and healthcare costs. EM Coulter is pursuing an alternative plan under provisions of PA 345 of 1927 to create a Board of Trustees to manage and operate the retirement system. A request for up to six mills per year to fund public safety pensions will be placed on the November ballot.

Issues to Resolve before EM Exit

- Increase and stabilize pension funding levels.
- Permanently eliminate structural deficit for future fiscal years.

FINANCIAL REVIEW COMMISSION (FRC)

Detroit

FRC Created: November 12, 2014

FRC Members: Nick Khouri, Bill Martin, Brenda Jones, Darrell Burks, John Roberts, Lorrion James, Mike Duggan, Stacy Fox, Tony Saunders

Recent Developments

- The Detroit City Council reconsidered the Detroit Water and Sewerage Department's proposed FY 16 water and sewer rate increase and approved it on July 21, 2015. This action eliminated a potential budget deficit, which was a concern raised by the State Treasurer in his July 2, 2015 letter to the city.
- The city issued its FY 14 Comprehensive Annual Financial Report (CAFR) on June 30, 2015 (following two three-month extensions granted by the State Treasurer). The city continued to have a deficit for FY 14 as that year closed prior to the bankruptcy confirmation in December 2014. The city expects to report a surplus in its FY 15 CAFR, which is currently underway and expected to be completed no later than March 2016.
- At the FRC's July 27, 2015 meeting, the city indicated it would reduce its bankruptcy exit financing debt by \$30M (from \$275M to \$245M) prior to its scheduled syndication in mid-August. The State Treasurer and FRC Executive Director are participating in the city's rating agency and investor presentations to discuss the State's oversight role.
- On July 29 and July 30, 2015, the city received its first post-bankruptcy credit ratings from S&P and Moody's. Only S&P rated the city's exit financing, for which it received an investment-grade "A" rating, with a stable outlook. The exit financing is secured by a statutory lien on city income tax revenue. Both rating agencies provided the city with updated underlying General Obligation (GO) ratings. S&P assigned a "B" rating, with a stable outlook. Moody's upgraded the city from "B3" to "B2," with a positive outlook.

Detroit (continued)

Significant Action/Issues

- The first statutorily required biannual report on Detroit was filed by the FRC on May 28, 2015. The report detailed the FRC's activities and formal requirements since its appointment in November 2014. The FRC will file its second biannual report in December 2015.
- The city submitted its Four-Year Financial and Operating Plan (Plan) to the FRC in March. After reviewing the Plan and determining it was based on sound assumptions and met all statutory requirements, the FRC granted approval on April 20, 2015. The city's Plan encompassed the second year (FY 16) of Emergency Manager Orr's two-year budget and used this as its base year with no changes, plus three years (FY 17, FY 18, and FY 19).
- The City of Detroit Assessor's Office is currently conducting a multi-year project to reappraise all properties in Detroit, after the State Tax Commission found significant problems with property valuations. The reappraisal is scheduled to be completed in 2017.

RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB)

Allen Park

RTAB Appointed: September 26, 2014

RTAB Members: Suzanne Schafer, Joyce Parker, Fredrick Frank, Karen Barann

Recent Developments

- The City Council has approved a new, four-year collective bargaining agreement with the police bargaining unit. Treasury reviewed the tentative agreements and had a number of concerns with the terms including the identification of over \$237K in increased costs in Year 1. Despite these concerns, the RTAB voted 2 to 1 to ratify the approval of these collective bargaining agreements.
- The city wishes to seek bids for retiree health insurance coverage after being informed by Blue Cross that a 23% rate increase of \$644K will become effective October 1, 2015. The RTAB has approved this request and Treasury is working with the city to identify potential legal ramifications in the lawsuit with retirees if coverage is changed to a new provider.
- The city was informed by Blue Cross that a billing oversight has resulted in the city underpaying for insurance coverage for retirees in the amount of \$853K.
- The city received a \$1.2M Staffing for Adequate Fire and Emergency Response Grant, which will allow them to retain six firefighters over the next two years.
- On May 15, 2015, an updated five-year budget projection from the city was received. The RTAB approved this item on August 5, 2015.
- The RTAB approved the hiring of a professional search firm to assist with finding qualified City Administrator candidates. Treasury is participating in the selection process. The City Council will be interviewing the finalists for the position in August 2015.
- Completion of the bond tender process is projected for August 2015. The 2015 Refunding Bonds will be rated Single A, due to the city's pledge of distributable state aid.

- Standard & Poor's released its rating of the city on June 24, 2015, in anticipation of the bond tender release. The city's long-term rating for the existing bonds was downgraded with a negative outlook. The downgrade of these bonds is similar to the rating by Standard and Poor's on the City of Detroit's DWSD tender refinancing.

Allen Park (continued)

Recent Developments (continued)

- A retired city employee has brought a breach of contract and age discrimination lawsuit against the city. The city's insurance policy covers only a small portion of the alleged damages. A Settlement Conference was held between all parties on July 20, 2015, but no resolution was achieved. The court has ordered mediation proceedings.
- The city's current budget is balanced.

Significant Actions/Issues

- The city completed its move to a new temporary City Hall on June 8, 2015.
- The City Council adopted the FY 16 Budget on May 26, 2015, and the RTAB approved this action on June 3, 2015.
- Inquiries are being made to add one member to the RTAB.
- Litigation was filed by retirees challenging the EM's authority to reduce other post-employment benefit (OPEB) liabilities. A motion for summary disposition is pending. No date has been set to hear this motion.

Benton Harbor

RTAB Appointed: March 10, 2014

RTAB Members: Larry Steckelberg, Bret Witkowski, Marvin Raglon, Sharon Hunt

Recent Developments

- On August 3, 2015, the City Commission adopted a resolution requesting a hearing with the Department of Treasury to discuss financial assistance for decisions made during the tenure of emergency managers that resulted in legal fees and settlement costs.
- TAt-Large Commissioner Mary Donald passed away on June 12, 2015. On August 10, 2015, the City Commission appointed Edward Isom to finish her unexpired term, which ends December 31, 2015. On August 11, 2015, the RTAB approved the appointment.
- The first annual evaluation from the RTAB was conducted on July 29, 2015. It will be sent to the RTAB for review.
- The City Commission adopted the FY 16 Budget on June 15, 2015. The RTAB approved this action on June 22, 2015.

Significant Actions/Issues

- FY 14 audited General Fund revenues exceed expenditures by \$1M, out of a total budget of \$6.1M.
- Former Benton Harbor Public Safety Director Roger Lange brought a Whistleblower and Elliot Larson Civil Rights case against the City of Benton Harbor and former EM Tony Saunders. Mediation took place on July 17, 2015, with Jon March of Miller Johnson serving as the mediator. No settlement was reached.

Ecorse

RTAB Appointed: May 1, 2013

RTAB Members: Edward Koryzno, Robert Bovitz, Joyce Parker

Recent Developments

- The city has completed a balanced five-year financial plan. One challenge includes the outsourcing of fire services which must be realized soon to keep the financial plan solvent. This is the first time the city has proposed a viable path out of receivership.
- The degree of State oversight may be reduced if the city can convincingly show a commitment to the cost saving measures they have promised.
- The RTAB approved the city's choice for city controller at the August meeting. Tim Sadowski will commence work later this month.
- A second annual evaluation from the RTAB will commence in the coming months.

Significant Actions/Issues

- The city continues to have difficulty attracting qualified candidates and filling higher level administrative positions.
- Municipal Employee's Retiree System pension contributions are anticipated to increase from \$1.8M in FY 15 to \$2.4M in FY 16 due to accelerated funding for closed plans.
- On May 12, 2015, the RTAB approved a narrowly balanced FY 16 Budget. To balance the budget, the city increased an existing PA 33 levy by approximately 15 mills.

Flint

RTAB Appointed: April 29, 2015

RTAB Members: Frederick Headen, Brian Larkin, David McGhee, Beverly Walker-Griffiea, Robert McMahan

Recent Developments

- At a special meeting held on August 11, 2015, the City Council approved the transfer of \$323K from the Fire Department to the Police Department to hire five additional patrol officers. The RTAB approved this transfer on August 12, 2015.
- On August 7, 2015, Genesee County Circuit Court invalidated the city's 35 percent water and sewer rate increases which were reverted back to 2011 rates. This decision could potentially cost the City's General Fund up to \$50M. The city expects to receive a final order from the Circuit Court on August 17, 2015, and is prepared to file an emergency appeal to the Court of Appeals. The City Administrator has instituted hiring and spending freezes across all departments, and Treasury is working with the city to identify the impact from this decision.
- In addition, on August 7, 2015, Genesee County Circuit Judge Archie Hayman issued an emergency injunction that prevents the city from further charging water service fees, instituted on all water bills to recoup funds used to settle a 2007 lawsuit. The ruling requires the city to repay \$15.7M from the General Fund to the Water Fund. The ruling also prohibits the city from disconnecting water service for late payment and prevents the city from placing liens on property for past due water bills. The city plans to appeal this decision.

Flint (continued)

Recent Developments (continued)

- The City Council approved an amendment to the EM adopted FY 15 Budget on June 29, 2015. The city ended FY 15 with an estimated \$495K General Fund balance. The RTAB denied the budget amendment at their July 15, 2015 meeting because the City Council also approved the use of \$200K of the city's \$495K General Fund balance for grass and weed abatement throughout the city. The City Council reconsidered and adopted the budget amendments, which were approved by the RTAB on August 12, 2015. The City Administrator has also developed a plan to allocate additional resources toward grass and weed abatement.
- On July 15, 2015, the RTAB approved the issuance of an Obsolete Property Rehabilitation Act (OPRA) certificate for a downtown property. The City Council had initially rejected issuance of the OPRA certificate but an EM Order permits the RTAB to make the final determination on economic development projects.
- On July 15, 2015, the RTAB also approved ballot language for the renewal of the Regional Flint Mass Transportation Authority millage. The renewal is proposed for five years at the current 0.6 mills per year. This proposal will appear on the November 2015 ballot.
- U.S. District Judge Stephen J. Murphy denied a motion for a preliminary injunction on June 23, 2015, to force the city to purchase water from the City of Detroit. Another lawsuit to force the city to purchase water from the City of Detroit was filed in Genesee County Circuit Court on July 16, 2015.
- The city's Economic and Community Development Director is leaving in August 2015. Current staffing vacancies also include the City Treasurer and the Human Resources Director.
- As a result of a recent review, the State Tax Commission notified the city that it must maintain adequate assessment records in compliance with statute and State Tax Commission Rules, and must implement any corrective actions necessary. In addition, the city shall implement a full reassessment within a time frame agreed upon with the State Tax Commission. The city is preparing to issue an RFP for a reappraisal.
- The city continues to inform residents that it is in violation of the Clean Water Standards Act. Monthly testing is ongoing.
- The city is implementing Veolia recommended improvements to its water system, including water plant improvements, distribution system improvements, new policies and procedures, and better communication with customers. The city installed a \$1.5M granulated active-charcoal filter to improve water quality. All twelve filters are completely installed and will be in use by August 17, 2015.
- The city hired Echologics at a cost of \$895,850 to perform a leak detection study. This project commenced on August 10, 2015.
- The KWA pipeline is expected to be completed in June 2016. The two pump stations are 75% complete and the intake should be completed in August 2015.

Flint (continued)

Significant Actions/Issues

- The City Administrator has issued a Corrective Action Plan to the City Clerk to correct a number of operational deficiencies that resulted in the wrong election submission dates being provided to local candidates.
- On June 12, 2015, the Michigan Court of Appeals reversed a decision by Genesee County Circuit Judge Richard Yuille, who dismissed a claim that the city violated its own ordinances when the EM raised water and sewer rates in 2011.
- If the city loses a lawsuit over retiree healthcare, the EM's two-year budget does not assume an additional \$5M to \$6M annual expense.

Hamtramck

RTAB Appointed: December 18, 2014

RTAB Members: Deborah Roberts, Mark Stema, Cathy Square, Karen Young

Recent Developments

- The city is undertaking a \$7M sewer infrastructure improvement project which is eligible for State Revolving Fund monies. The project will reduce storm water inflow into the sanitary sewers.
- The City is pursuing a third party police study which will help administrators reduce the overtime rates.
- A contractor is reassessing both residential and commercial properties.

Significant Actions/Issues

- The City Council adopted the FY 16 Budget on June 17, 2015. The RTAB approved this action on June 23, 2015. The city has also developed a long-term capital improvement plan.
- A suit was filed in federal court by Hamtramck retirees over changes to healthcare benefits made in October 2014. The potential exposure to the city is currently unknown.
- The annual pension liability is anticipated to increase from \$3.5M in FY 15 to \$4.3M by FY 19. This increase is a result of closing certain pension plans and the Michigan Employee's Retirement System (MERS) policy of accelerating the required contribution for closed plans. The increases were included in the EM two-year budget.

Pontiac

RTAB Appointed: August 19, 2013

RTAB Members: Edward Koryzno, Louis Schimmel, Keith Sawdon, Robert Burgess

Recent Developments

- On July 18, 2015, the City Council approved the recommendation of the Local Officer Compensation Commission to increase Council's compensation from \$7K to \$15K. The RTAB approved this action on July 27, 2015.
- Interviews for the Deputy Mayor position are being held in August 2015.
- The city lost the Supreme Court ruling on efforts to demolish the Phoenix Center. Treasury is working with the city to move forward with the sale to a private operator which frees up \$2M in demolition funds.

Pontiac (continued)

Significant Actions/Issues

- On June 18, 2015, the City Council adopted the proposed FY 16 Budget and 2015 tax rates. The RTAB held a special meeting on June 26, 2015, to approve the proposed FY 16 Budget and 2015 tax rates.
- On May 21, 2015, the Securities and Exchange Commission (SEC) issued an Order to initiate proceedings against Gray & Company, the city's pension investment advisor. The proceedings involve Gray & Company's dealings with investments made by several Georgia pension plans in the Gray & Company Alternative Fund II LP, a proprietary private equity fund. The Pension Board met with Mr. Gray to discuss the SEC proceedings, its effects on the Pontiac GERS portfolio, and how much is invested with Gray's firm. The Pension Board has withdrawn its pension assets from Gray & Company controlled funds.
- The city lost a decision at the Michigan Court of Appeals which may make it liable for a \$3.5M payment to the Police and Fire VEBA. The city requested reconsideration but was denied. On May 20, 2015, the RTAB approved the city's request to appeal to the Michigan Supreme Court.
- Per the city's FY 14 audit, the general fund's accumulated fund balance is approximately \$5M out of a total budget of \$27M.
- The City of Pontiac Retired Employees Association v. City of Pontiac lawsuit (in U.S. District Court) was reassigned from Judge Lawrence P. Zatkoff to Judge Avern Cohn. The lawsuit challenges former EM Schimmel's elimination of retiree healthcare and replacement with an annual stipend. The General Employees Retirement System Pension Fund is significantly overfunded and the parties are exploring options to use the overfunded portion to fund retiree healthcare. Mediation is taking place under the supervision of Eugene Driker.

CONSENT AGREEMENT

Inkster

Date Executed: February 20, 2012

Consent Agreement Consultant: Mark Stuhldreher

Recent Developments

- On August 3, 2015, the Inkster City Council voted to change the employment status of City Manager Richard Marsh to Special Advisor to the city. The City Council named City Treasurer Mark Stuhldreher to the position of Interim City Manager. A search firm will conduct a national search to fill the City Manager's position.
- The City Manager with the approval of the City Treasurer, hired William Riley, Police Chief of Selma, Alabama, to the position of Police Chief. Mr. Riley's start date was August 10, 2015.
- On June 29, 2015, a tentative agreement was reached with Wayne County to place a judgment levy starting with the December 2015 tax roll, for five years, to repay the county \$4.9M in past due sewer charges. The city would like to postpone the levy until 2016 and are in discussions with Wayne County.

- The city is collaborating with MSHDA and MEDC to seek new housing developments and development of several vacant commercial parcels.

Inkster (continued)

Significant Actions/Issues

- The City Council approved the FY 16 Budget on May 18, 2015.
- On April 20, 2015, the city adopted a working capital reserve policy for the Water and Sewer Fund which will provide funds for emergency situations.
- On June 29, 2015, an Order was issued requiring the City Treasurer to approve all employment matters with city officials and employees, expenditure of funds, and all contracts.

River Rouge

Date Executed: December 15, 2009

Consent Agreement Consultant: N/A (PA 72)

Significant Actions/Issues

- A fire union collective bargaining agreement was approved in March, resulting in a reduction in healthcare costs.
- The city adopted its FY 16 Budget on May 19, 2015. The budget is balanced and has a beginning fund balance of \$1,967,613. The city has prepared a proposed five-year budget that shows a deficit in FY 18 to FY 20 unless additional revenues can be found.

Royal Oak Township

Effective Date: April 21, 2014

Consent Agreement Consultant: Robert Burgess

Recent Developments

- On August 4, 2015, voters approved a renewal of 4.5 mills for general operations.
- The township audit was completed. The auditors recommended that the township submit a Deficit Elimination Plan for 2014, select a firm to advise the Township on financial matters and perform an inventory of assets.
- A report issued by the Rehmann Group, the township's financial consultant, noted that the township must make budget adjustments of \$164,275 to its FY 15 General Fund Budget to account for expenditures exceeding revenues in FY 14. The township adopted budget amendments on May 28, 2015.
- An Order was issued on June 17, 2015, granting the Consultant broad authority to approve expenditures made by the township and ensure that obligations are being paid. The Order also gives the Consultant authority to return the \$620K in reimbursed retirement assets to MERS.

Significant Actions/Issues

- The Michigan State Police continues to provide police services to the township.
- Treasury learned that the Township Supervisor was regularly authorizing overtime for employees, though overtime was not included in the FY 15 Budget and the Consent Agreement requires State Treasurer approval prior to overtime expenditures. An Order was issued May 20, 2015, requiring the Consultant to approve all requests for overtime prior to authorization.

NEUTRAL EVALUATION

Highland Park

Financial Review Team Appointed: December 2, 2013

Financial Emergency Declared: January 30, 2014

PA 436 Option Selected: Neutral Evaluation

Recent Developments

- On August 11, 2015, a report was issued by Meadowbrook Insurance on the progress of reducing the City's healthcare costs. When successfully implemented after October 1, 2015, the \$1.4M annual cost of healthcare could be reduced to \$630K.
- On July 6, 2015, Wade Trim began duties to operate and maintain the water and sewer systems.
- Louis Schimmel was hired on June 29, 2015, to provide consulting services regarding water and sewer issues.
- On July 31, 2015, the water and sewer amnesty program expired. City Administrator Cathy Square stated the city will work with customers to settle their past due accounts.
- The second phase of emergency loans is tentatively scheduled to take place on September 24, 2015. It would consist of approximately \$4.7M to restructure the city's three outstanding emergency loans and \$11.5M to refinance outstanding debt.
- The city has purchased the first quantity of water meters at a cost of \$343K.
- The city issued an RFP in July to contract-out the collection of past due water and sewer bills from residential and commercial customers.

Significant Actions/Issues

- On June 29, 2015, the City Council approved a substantial increase in water and sewer rates which will allow the city to fund water and sewer operations.
- On May 18, 2015, the City Council adopted a resolution requesting MDOT to pay for storm water drainage from the highways and freeways under MDOT's jurisdiction in the city.
- On May 18, 2015, City Council approved a consultant's recommendation for an amnesty plan for residential customers to pay arrearage amounts owed to the city. The consultant has determined that if all customers take advantage of the amnesty plan, the city could collect \$2.08M. The city has extended the amnesty plan until July 31, 2015. This will allow more time for customers to pay past due accounts.
- The city's liabilities total \$99.9M. Some major components are: \$55.3M debt, including \$20.7M owed to the DWSD, and \$26.1M unfunded other post-employment benefits (OPEB).

OTHER COMMUNITIES

Wayne County

Recent Developments

- On July 21, 2015, the Review Team reported to the Governor that a financial emergency existed in the County.
- On July 22, 2015, the Governor confirmed the finding of a financial emergency in Wayne County. The County did not request a hearing on the findings as provided for in Public Act 436 of 2012, the Local Financial Stability and Choice Act.
- On August 6, 2015, the County Commissioners voted to choose the option of a consent agreement to address its financial emergency.
- On August 13, 2015, the County Board approved the Consent Agreement negotiated between the County Executive and State Treasurer.

Significant Actions/Issues

- On June 10, 2015, the county reached a settlement with retirees on healthcare. The county will no longer provide health insurance but will instead provide a stipend to retirees. This will result in a savings of \$20M annually.
- On June 17, 2015, the Wayne County Executive requested a preliminary review under the Local Financial Stability and Choice Act, Public Act 436 of 2012. After notification to the county, Treasury began its preliminary review of the County's finances on June 19, 2015. A final preliminary review report was issued on June 30, 2015.
- On July 1, 2015, the Local Emergency Financial Assistance Loan Board met and found that probable financial stress exists in the county.
- The county's annual structural General Fund deficit is approximately \$52M prior to any of the proposed remedial actions.
- The county's proposed restructuring is approximately \$53M in General Fund savings, \$25M of which comes from changes to pension and healthcare benefits for active employees and healthcare benefits for retirees. The county has not yet proposed a long-term solution to its jail problems.

Public Act 436 of 2012 Summary

EMERGENCY MANAGER - MUNICIPALITIES				
Unit of Government	Current Emergency Manager	Initial Appointment Date	Target Exit Date	Notes
City of Lincoln Park	Brad Coulter	July 3, 2014	January 2016	FY 15 ended with an estimated \$100K general fund operating surplus. Will submit DEP. Actuarial analysis published on 5/20/15 shows further decline in pension funding down 23%. Mathew Coppler, City Manager of Enfield, Connecticut accepted position of City Manager.
FINANCIAL REVIEW COMMISSION (FRC) – MUNICIPALITIES				
Unit of Government	Board Members	Appointment Date	Target Exit Date	
City of Detroit	Nick Khouri, John Roberts, Bill Martin, Mike Duggan, Brenda Jones, Darrell Burks, Lorrion James, Stacy Fox, Tony Saunders	November 12, 2014	NA	City Council approved DWSD FY 16 water/sewer increase on 7/21/15 which eliminates a potential budget deficit. First post-bankruptcy credit rating – S&P “A” rating for exit financing, with stable outlook General Obligation rating – S & P rating is a “B” with stable outlook and Moody’s upgraded from “B3” to “B2” with a positive outlook. FRC filed its first biannual report on 5/28/15. 2 nd report will be filed in December 2015. Assessor’s Office conducting multi-year project to reappraise properties - complete in 2017.
RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB) - MUNICIPALITIES				
Unit of Government	Board Members	Appointment Date	Target Exit Date	Notes
City of Allen Park	Suzanne Schafer, Joyce Parker, Fredrick Frank, Karen Barann	September 26, 2014	NA	4-year CBA with police approved by Council and the RTAB despite concerns in increased costs. (RTAB vote was 2-1 to approve). RTAB approved 5-year financial plan on 5/15/15. Bond Tender projects to be completed in August 2015.
City of Benton Harbor	Larry Steckelberg, Bret Witkowski, Marvin Raglon, Sharon Hunt	March 10, 2014	NA	Commission requested a hearing to discuss financial assistance re EM decisions made that resulted in legal fees and settlement costs. Former Public Safety Director brought Whistleblower and Elliot Larson Civil Rights case against the city. Mediation took place on 7/17/15, no settlement reached.

Public Act 436 of 2012 Summary

City of Ecorse	Edward Koryzno, Robert Bovitz, Joyce Parker	May 1, 2013	NA	Balanced 5-year financial plan completed. Difficult changes must be realized to comply. RTAB approved balanced FY 16 Budget on 5/12/15.
City of Flint	Frederick Headen, Brian Larkin, David McGhee, Beverly Walker-Griffea, Robert McMahan	April 29, 2015	NA	RTAB approved Obsolete Property Rehabilitation Act (OPRA) certificate for downtown property on 7/15/15. Motion denied on 6/23/15 for preliminary injunction to force city to purchase water from Detroit. 2 nd lawsuit filed on 7/16/15. KWA pipeline expected to be completed in June 2016.
City of Hamtramck	Deb Roberts, Mark Stema, Karen Young, Cathy Square	December 1, 2015	NA	Undertaking a \$7M sewer infrastructure improvement project which is eligible for State Revolving Fund Monies. Project will reduce storm water inflow into sanitary sewers.
City of Pontiac	Edward Koryzno, Louis Schimmel, Keith Sawdon Robert Burgess	August 19, 2013	NA	Interviews for Deputy Mayor position are being held in August 2015. City lost Supreme Court ruling to demolish Phoenix Center. Treasury working with city to move forward with sale to private operator which frees up \$2M in demolition funds. FY 16 Budget and 2015 tax rates approved by RTAB on 6/26/15.
CONSENT AGREEMENT - MUNICIPLITIES				
Unit of Government	Treasury Representative/Consultant	Date Executed	Term of Consent Agreement	Notes
City of Inkster	Mark Stuhldreher, Interim City Manager and City Treasurer/Finance Director	February 20, 2012	N/A	On 8/3/15, City Council voted to change the employment status of the City Manager to Special Advisor. Mark Stuhldreher appointed interim City Manager. Tentative agreement w/ Wayne County for judgement levy starting w/ December 2015 tax roll. Collaborating with MSHDA and MEDC to seek new housing developments and development of several vacant commercial parcels.
City of River Rouge	N/A (P.A. 72)	December 15, 2009	N/A	FY 16 Budget adopted on 5/19/15. Proposed 5-yr budget shows a deficit in FY 18 to FY 20 unless additional revenues can be found.
Royal Oak Township	Robert Burgess	April 21, 2014	October 31, 2017	On 8/3/15, voters approved a renewal of 4.5 mills for general operations. Order issued on 6/17/15 granting the Consultant broad authority to approve expenditures made by the township to ensure obligations are being paid.

Public Act 436 of 2012 Summary

Wayne County				County selected the consent agreement option on 8/6/15. Currently negotiating. On 6/10/15, county reached settlement with retirees on healthcare to provide stipend in lieu of health insurance.
NEUTRAL EVALUATION - MUNICIPALITIES				
Unit of Government	Financial Review Team Appointed	Financial Emergency Declared	Date Option Selected	Notes
City of Highland Park	December 2, 2013	January 30, 2014	May 1, 2014	Wade Trim began operating and maintaining water and sewer systems on 7/6/15. 2 nd phase of emergency loans tentative for 9/24/15 – \$4.7M to restructure 3 outstanding loans and \$11.5M to refinance outstanding debt. City issued RFP to contract out collection of past due water/sewer bills. On 6/29/15, Council approved substantial increase in water/sewer rates.
OTHER COMMUNITIES				
City of Melvindale * City of Wayne *				
EMERGENCY MANAGER - SCHOOLS				
Unit of Government	Emergency Manager	Appointment Date	Target Exit Date	Notes
Detroit Public Schools	Darnell Earley	January 13, 2015	April 2016	FOP/ 45 Day Plan submitted on 2/27/15. Working on long-term strategy with E&Y/ Parthenon. Meeting with Coalition. Commence search for CFO. Weekly meetings to monitor critical cash, shortfall of approximately \$67M for FY15. ORS delinquencies growing to approximately \$39M (approximately \$12M from this FY).
Highland Park School District	Donald Weatherspoon	April 15, 2015	October 2016	Due to financial and academic restraints, educational services for grades 9-12 will be provided for by DPS starting in Fall 2015. Legacy costs, including but not limited to, retirement pensions, UI, legal services, and utilities have not been fully paid-to-date. Budget deficit decreased slightly for FY 15 and will continue to decrease by about \$800K each year afterward.

Public Act 436 of 2012 Summary

Muskegon Heights School District	Steven Schiller	April 15, 2015	October 2016	Completed transition from Mosaica to ISD on 6/30/14. Continue to struggle with residual financial issues related to exit of Mosaica. Budget deficit declining - negative fund balances reduced \$11.9M in FY 12 to \$1.1M in FY 15.
CONSENT AGREEMENT - SCHOOLS				
Unit of Government	Consultant	Appointment Date	Target Exit Date	Notes
School District of City of Pontiac	Donald Weatherspoon	October 15, 2013	September 2015	Budget deficit continues to decline and negative fund balance has been reduced from \$50.4M in FY 13 to \$35.9M in FY 15. On 8/4/15, voters disapproved a 2.87 millage, 5-yr sinking fund needed for facility repairs and improvements. Alternative options are now being reviewed, A \$10M emergency loan approved by ELB on 7/21/15. Due to \$20M loan cap per municipality, district is no longer eligible for future emergency loans.
Benton Harbor Schools	Cynthia M. LaGrow	November 18, 2014	November 2016	Appointed interim CFO in July 2015, search continues for permanent CFO. Transitioning from Plante Moran to Berrien RESA for essential office admin support. \$1.4M emergency loan approved by ELB on 7/21/25. G. Weatherspoon was appointed acting superintendent in June 2015. Former superintendent placed on administrative leave on 4/30/15 and currently under investigation.
SCHOOLS WATCH LIST				
Due to recent passage of PAs 109 and 111, Treasury is evaluating the list of schools with deficits that meet the new criteria.				

From: Workman, Wayne (TREASURY)
Sent: Monday, August 17, 2015 12:05 PM
To: Headen, Frederick (Treasury); Dempkowski, Angela (Treasury); Pleyte, Beth (Treasury); Stanton, Terry A. (Treasury); Sampson, Jeremy (TREASURY); Agen, Jarrod (GOV); Wurfel, Sara (GOV)
Subject: FW: Revised Summary/Distressed Schools Summary
Attachments: Revised_201508_436Summary.docx

See below

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury

From: Workman, Wayne (TREASURY)
Sent: Monday, August 17, 2015 12:03 PM
To: [REDACTED]
Cc: Muchmore, Dennis (GOV) <muchmored@michigan.gov>; Clement, Elizabeth (GOV) <clemente@michigan.gov>; Scott, Allison (GOV) <scotta12@michigan.gov>; Khouri, Nick (TREASURY) <KhouriN@michigan.gov>; Roberts, John (DTMB) <RobertsJ9@michigan.gov>; Baird, Richard (GOV) <bairdr@michigan.gov>; Walsh, John (GOV) <WalshJ@michigan.gov>; Redford, James (GOV) <RedfordJ@michigan.gov>; Allard, Claire (GOV) <allardc1@michigan.gov>; Wisniewski, Wendy (GOV) <wisniewskiW@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Koryzno, Edward (Treasury) <KoryznoE@michigan.gov>; Durfee, Sally (TREASURY) <DurfeeS1@michigan.gov>
Subject: FW: Revised Summary/Distressed Schools Summary

Governor and All, Attached is an updated and revised version of the Distressed Municipality and School Summary Report transmitted August 14 at 11:38 am. This should replace the Summary transmitted on August 14. Thank you, Wayne

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury

From: Saxton, Thomas (Treasury)
Sent: Monday, August 17, 2015 11:01 AM
To: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Cc: Connors, Paul (Treasury) <ConnorsP@michigan.gov>
Subject: FW: Revised Summary/Gov Doc

Here is the attached table with the corrected data. I gave Paul a few nits on the memo; which I will bring hard copies to the meeting tomorrow.
If you see anything we should change let us know.

From: Connors, Paul (Treasury)
Sent: Monday, August 17, 2015 8:23 AM
To: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>

Cc: Pleyte, Beth (Treasury) <PleyteB@michigan.gov>; Storberg, Ann Marie (TREASURY) <StorbergA@michigan.gov>

Subject: Revised Summary/Gov Doc

Here you go

Director of the Office of School Review and Fiscal Accountability
Michigan Department of Treasury
430 W. Allegan Street
Lansing, MI 48922
(517) 241-1186

Public Act 436 of 2012 Summary

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Public Act 436 of 2012 Summary

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OTHER COMMUNITIES				
City of Melvindale * City of Wayne *				
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Unit of Government	Emergency Manager	Appointment Date	Target Exit Date	Notes
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Highland Park School District	Donald Weatherspoon	April 15, 2015	October 2016	Due to financial and academic restraints, educational services for grades 9-12 will be provided for by DPS starting in Fall 2015. Legacy costs, including but not limited to, retirement pensions, UI, legal services, and utilities have not been fully paid-to-date.

Public Act 436 of 2012 Summary

				Budget deficit decreased slightly for FY 15 and will continue to decrease by about \$800K each year afterward. Pupil count declined from 639 in 2013-14 to 511 in 2014-15.
Muskegon Heights School District	Steven Schiller	April 15, 2015	October 2016	Completed transition from Mosaica to ISD on 6/30/14. Continue to struggle with residual financial issues related to exit of Mosaica. Budget deficit declining - negative fund balances reduced \$11.9M in FY 12 to \$1.1M in FY 15. Pupil enrollment declined from 912 in 2013-14 to 902 in 2014-15.
CONSENT AGREEMENT - SCHOOLS				
Unit of Government	Consultant	Appointment Date	Target Exit Date	Notes
School District of City of Pontiac	Donald Weatherspoon	October 15, 2013	September 2015	Budget deficit continues to decline and negative fund balance has been reduced from \$50.4M in FY 13 to \$35.9M in FY 15. On 8/4/15, voters disapproved a 2.87 millage, 5-yr sinking fund needed for facility repairs and improvements. Alternative options are now being reviewed, A \$10M emergency loan approved by ELB on 7/21/15. Due to \$20M loan cap per municipality, district is no longer eligible for future emergency loans. Pupil count declined from 4,531 in 2013-14 to 4,385 in 2014-15
Benton Harbor Schools	Cynthia M. LaGrow	November 18, 2014	November 2016	Appointed interim CFO in July 2015, search continues for permanent CFO. Transitioning from Plante Moran to Berrien RESA for essential office admin support. \$1.4M emergency loan approved by ELB on 7/21/25. G. Weatherspoon was appointed acting superintendent in June 2015. Former superintendent placed on administrative leave on 4/30/15 and currently under investigation. Pupil count declined from 2,668 in 2013-14 to 2,428 in 2014-15.
SCHOOLS WATCH LIST				
With the passage of 2015 PAs 109-111, Treasury is expected to have authority over the following deficit districts: Flint Hazel Park Westwood Mt. Clemens				

Public Act 436 of 2012 Summary

Bridgeport Spaulding
Clintondale
New Haven
Vanderbilt
Southgate
Mackinac City

From: Workman, Wayne (TREASURY)
Sent: Monday, October 05, 2015 12:17 PM
To: Headen, Frederick (Treasury); Dempkowski, Angela (Treasury); Pleyte, Beth (Treasury); Stanton, Terry A. (Treasury); Sampson, Jeremy (TREASURY); Agen, Jarrod (GOV); Wurfel, Sara (GOV)
Subject: FW: Local Government Update
Attachments: Gov Memo Oct final.docx; 201508_436Summary.docx

FYI

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury

From: Workman, Wayne (TREASURY)
Sent: Monday, October 05, 2015 12:16 PM
To: 'snyder [REDACTED]'
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Subject: Local Government Update

This memo will serve as background for the Local Government briefing scheduled on October 8, 2015 at 9:15 am.

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: October 5, 2015

TO: Rick Snyder, Governor

FROM: Wayne Workman, Deputy State Treasurer

SUBJECT: Status of Financially Distressed Local Governments

SEPTEMBER

AUGUST

	Cities	Counties	Schools	Total	Cities	Counties	Schools	Total
Emergency Manager	1	0	3	4	1	0	3	4
Financial Review Commission	1	0	0	1	1	0	0	1
Receivership Transition Advisory Board	6	0	0	6	6	0	0	6
Consent Agreement	3	1	2	6	3	1	2	6
Neutral Evaluation	1	0	0	1	1	0	0	1

EMERGENCY MANAGER

Lincoln Park

Emergency Manager: Brad Coulter
Appointed: July 3, 2014
Anticipated Exit: January 2016

Recent Developments

- A collective bargaining agreement with the Technical and Professional Office Workers Association of Michigan was approved by the Treasurer and will be effective on November 1, 2015. The city eliminated retiree healthcare and reduced employee paid time off.
- On August 10, 2015, the Lincoln Park Retiree Associations filed suit against the State, Treasury, and the City of Lincoln Park regarding the reduction of city retiree healthcare.
- The city is contemplating a lawsuit against the pension funds' actuary for the full amount of the unfunded pension liability. The city believes that the actuary did not properly advise the city regarding long-term financial sustainability of the pension system. The city paid the required ARC each year yet the funding levels were reduced to critical levels.
- PA 345 pension system millage of six mills will be on the November 2015 ballot. This is the second time PA 345 is going before Lincoln Park voters.

- The city ended FY 15 with an estimated \$100K General Fund operating surplus. The city has a General Fund deficit from previous years. EM Coulter will be submitting a Deficit Elimination Plan to Treasury.
- Mathew Coppler, City Manager of Enfield, CT, accepted the position of City Manager, and began on September 29, 2015.

Significant Actions/Issues

- On August 11, 2015, EM Coulter submitted his four-month plan listing the priorities to be accomplished for the remainder of his term and beyond.
- EM Coulter has modified retiree collective bargaining agreements to reduce healthcare benefits. These changes were implemented in July 2015 and will reduce annual retiree healthcare costs from \$4.1M to \$600K.
- The May 2015 actuarial analysis showed pension funding at 23%.
- FY 14 ended with a General Fund accumulated deficit of \$736K, out of a total budget of \$21M. This is a significant increase from FY 13 (\$89K). Increases were in Public Safety- \$1.1M, Public Works- \$700K, and Culture and Recreation- \$600K.
- Voters rejected the Firefighters and Police Officers Retirement Act proposal by a 53% to 47% margin. Had it been approved, an additional \$3M annually would have helped fund fire/police pension and healthcare costs. EM is pursuing an alternative plan under provisions of PA 345 of 1927 to create a Board of Trustees to manage and operate the retirement system.

Issues to Resolve before EM Exit

- Increase and stabilize pension funding levels.
- Permanently eliminate structural deficit for future fiscal years.

FINANCIAL REVIEW COMMISSION (FRC)

Detroit

FRC Created: November 12, 2014

FRC Members: Nick Khouri, Bill Martin, Brenda Jones, Darrell Burks, John Roberts, Lorrion James, Mike Duggan, Stacy Fox, Tony Saunders

Recent Developments

- The city held its September consensus revenue estimating conference on September 17, 2015 and presented its report to the FRC. The estimates of major revenues are up slightly based on improvement in the FY 15 unaudited actuals. However, growth estimates remain conservative as the city wants to minimize risk in its budget. The city will formally update revenues again in February 2016 for use in its FY 17 - FY 20 four-year financial plan.
- As the city enters the testing phase for the Enterprise Resource Planning system in October 2015, the city is evaluating revisions to its project schedule and contract change orders. The city may present those changes to the FRC in October or November.
- The city is in negotiations with its bus drivers' union on a new labor contract, which will require FRC approval. When it is finalized, this will be the first collective bargaining agreement submitted to the FRC for review. The Mayor briefed the FRC in closed session at the September 28, 2015 meeting on his strategy and the details of this pending contract.

Significant Action/Issues

- The FRC filed its first statutorily required biannual report on Detroit on May 28, 2015. The report detailed the FRC's activities and formal requirements since its appointment in November 2014. The FRC will file its second biannual report in December.
- The city's four-year financial plan, approved by the FRC in April, encompassed the second year (FY 16) of Emergency Manager Orr's two-year budget and used that as its base year with no changes, plus three years (FY 17 - FY 19). The City will begin its FY 17 – FY 20 budget development process in October and November 2015. This will be the first budget since the EM's departure that the Mayor and City Council will develop and will be subject to FRC review and approval.
- At its September 28, 2015, the FRC approved its first statutorily required annual certification of the city's substantial compliance with its requirements under the Michigan Financial Review Commission Act.
- The City of Detroit Assessor's Office is currently conducting a multi-year project to reappraise all properties in Detroit, after the State Tax Commission found significant problems with property valuations. The reappraisal is scheduled to be completed in 2017.
- Beginning in January 2016, individual city income tax filers will file their Detroit city income taxes with Treasury instead of the city. Treasury plans to collect Detroit's corporate city income tax and universal withholding (pending approval of legislation) in 2017.

RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB)

Allen Park

RTAB Appointed: September 26, 2014

RTAB Members: Suzanne Schafer, Joyce Parker, Fredrick Frank, Karen Barann

Recent Developments

- On September 22, 2015, Judge Mark Boonstra of the Michigan Court of Claims, granted the state's motion to dismiss the lawsuit brought by retirees of the City of Allen Park who challenged changes made to their healthcare by former Emergency Manager, Joyce Parker. The retirees contested the ability of the EM to modify retiree healthcare under PA 72 of 1980. The judge ruled that by the time the change actually took place the EM was operating under PA 436 of 2012. The plaintiffs also attacked PA 436 of 2012 claiming it was unconstitutional. Judge Boonstra stated that the claim met none of the tests necessary to support a charge of unconstitutional vagueness.
- The City Council offered Acting Assistant City Administrator Mark Kibby the position of City Administrator at its September 22, 2015 meeting. The RTAB will consider this appointment at its October 7, 2015 meeting.
- The bond tender extension expired on October 1, 2015. \$11.21M or 42.56% of the bonds were tendered. The city has accepted all tendered bonds subject to the conditions of the invitation.
- Treasury has been informed that Joyce Parker announced her resignation from the RTAB, effective October 31, 2015. Potential replacements are being considered.
- The city will be going to arbitration with the fire union over resolution of terms that were inadvertently inserted into the signed contract from an earlier draft. These terms were not

in the Tentative Agreement signed between the city and the union but included in the final copy signed by Emergency Manager Parker, prior to her departure. The city has been trying to resolve this issue for months. Treasury continues to monitor these developments.

- The city switched to a new provider for retiree health insurance coverage on October 1, 2015, after being informed by Blue Cross that a 23% rate increase of \$644K was being levied. The RTAB approved this request and the city attorneys believes that there are no legal ramifications with retirees if coverage is changed to a new provider.

Significant Actions/Issues

- At its September meeting, the RTAB affirmed the city's approval of a new four-year collective bargaining agreement with the clerical and public works bargaining units. Treasury reviewed the tentative agreements and identified over \$40K in increased costs in Year 1.
- A retired city employee has brought a breach of contract and age discrimination lawsuit against the city. The city's insurance policy covers only a small portion of the alleged damages. The City Council approved an agreement that was achieved during court-ordered mediation. The agreement will require the city to pay \$600K (from the budgeted Contingency Fund). The RTAB approved this agreement at its September 2, 2015 meeting.
- The city received a \$1.2M Staffing for Adequate Fire and Emergency Response Grant, which will allow them to retain six firefighters over the next two years.
- Litigation was filed by retirees challenging the EM's authority to reduce other post-employment benefit (OPEB) liabilities. A motion for summary disposition is pending. No date has been set to hear this motion.

Benton Harbor

RTAB Appointed: March 10, 2014

RTAB Members: Larry Steckelberg, Bret Witkowski, Marvin Raglon, Sharon Hunt

Recent Developments

- The Assistant City Manager/Community and Economic Development Director, Marja Winters, will be stepping down in November due to family reasons. She is currently assisting the city in finding a replacement.
- Benton Harbor is hiring the MML to do an executive search for a new finance director. Treasury is assisting Benton Harbor with cost of the search.

Significant Actions/Issues

- On August 3, 2015, the City Commission adopted a resolution requesting a hearing with the Department of Treasury to discuss financial assistance for decisions made during the tenure of emergency managers that resulted in legal fees and settlement costs. Treasury will be inviting the Mayor and City Manager to meet in Lansing to discuss issues facing the city.
- The city received notification from the Department of Labor in 2014 of a wage claim filed with their department, in relation to a contract addendum to the Public Safety Collective Bargaining Agreement. City staff and legal counsel have worked with the U.S. Department of Labor to facilitate a settlement to this claim. There are two parts to the settlement: 1) correction of wages going forward; and 2) correction of back wages from the inception of the addendum. The two parts total \$19K. The City Commission

approved the settlement at its August 3, 2015 meeting. The RTAB approved the settlement on August 11, 2015.

- The first annual evaluation from the RTAB was conducted on July 29, 2015. It will be sent to the RTAB for review.
- Former Benton Harbor Public Safety Director Roger Lange brought a Whistleblower and Elliot Larson Civil Rights case against the City of Benton Harbor and former EM Tony Saunders. Mediation took place on July 17, 2015, with Jon March of Miller Johnson serving as the mediator. No settlement was reached.

Ecorse

RTAB Appointed: May 1, 2013

RTAB Members: Edward Koryzno, Robert Bovitz, Joyce Parker

Recent Developments

- Treasury has been informed that Joyce Parker announced her resignation from the RTAB, effective October 31, 2015. Potential replacements are being considered.
- The degree of State oversight may be reduced if the city can convincingly show a commitment to the cost saving measures they have proposed.
- The City's new full-time controller, Tim Sadowski has replaced the previous part-time contracted controller.
- On September 22, 2015, the City Manager reported that the new controller is revising the current budget and 5-year financial plan. It was discovered that the baseline was inaccurate, according to the City Manager. Treasury will be analyzing the budget and financial plan and discussing issues with the city. One challenge includes reducing fire service costs, which must be realized soon to keep the financial plan solvent._

Significant Actions/Issues

- The city continues to have difficulty attracting qualified candidates and filling higher level administrative positions.
- Municipal Employee's Retiree System pension contributions are anticipated to increase from \$1.8M in FY 15 to \$2.4M in FY 16 due to accelerated funding for closed plans.
- On May 12, 2015, the RTAB approved a narrowly balanced FY 16 Budget. To balance the budget, the city increased an existing P.A. 33 levy by approximately 15 mills.

Flint

RTAB Appointed: April 29, 2015

RTAB Members: Frederick Headen, Brian Larkin, David McGhee, Beverly Walker-Griffiea, Robert McMahan

Recent Developments

- On August 7, 2015, a Genesee Circuit Court lawsuit, *Shears v. Flint*, invalidated a previous 35% increase in water and sewer rates, reverting back to 2011 rates. This injunction also requires the city to repay \$15.7M from the General Fund to the Water Fund, prevents the city from collecting certain past due water bills, and from disconnecting water service for nonpayment. The City has estimated that this injunction could potentially cost the General Fund \$50M. Thus far, the city's appellate efforts have not been successful. Most recently, Judge Archie Hayman certified *Shears v. Flint* as a class action.

- As a result of Shears v. Flint decision which required the city to roll back water rates by 35%, the Finance Director on October 1, 2015 estimated that revenue has decreased by \$666K per month and projects a loss of \$6.6M for the remainder of the fiscal year. In addition for the period of August 10, 2015 thru September 2, 2015, the city has realized \$1.75M less in cash receipts as the same period last year due to a decrease in payment activity.
- Separate litigation was held that Emergency Manager Mike Brown had no statutory authority to later ratify water and sewer rate increases from May of 2012. The city filed an appeal to the Michigan Supreme Court, but the court did not address the appeal because the city missed the filing deadline by one day. The case has been remanded back to Genesee County Circuit Court to resolve some outstanding matters. Treasury is discussing the need for additional legal representation with the city.
- Concerns have been raised about the amount of lead in the city's water system after a study by Virginia Tech University suggests that the amount is much higher than standard testing shows. The city is in compliance with state and federal lead standards but will be adding a corrosion inhibitor into the treatment process to reduce the amount of lead leaching into the system. The city is also providing free and independent water quality testing to residents. Treasury is monitoring this issue closely.
- Mayor Walling has issued a letter to the State requesting \$20M in funds to assist the city in making needed capital improvements to its water system plus another \$10M to address the issue of lead leaching into the system.
- On September 11, 2015, Genesee County Circuit Court dismissed a case (*Coalition for Clean Water v City of Flint*) to force the city to purchase water from the City of Detroit.
- The RTAB approved ballot language for the renewal of the Regional Flint Mass Transportation Authority millage. The proposed renewal is for five years at the current 0.6 mills per year and will appear on the November 2015 ballot.
- The Economic and Community Development Director resigned in August 2015. Current staffing vacancies also include the Treasurer and the Human Resources Director.
- As a result of a recent review, the State Tax Commission notified the city it must maintain adequate assessment records in compliance with statutes and State Tax Commission Rules, and must implement any corrective actions necessary. In addition, the city shall implement a full reassessment within a time frame agreed upon with the State Tax Commission. The city has issued an RFP and is reviewing the proposals.
- The city has been informed they no longer need to inform residents that it is in violation of the Clean Water Standards Act. Results from the first monthly test, since the installation of the granulated active-charcoal filter, showed that the city is in compliance with the federal Drinking Water Act. The city hired Echologics at a cost of \$895,850 to perform a leak detection study. This project commenced in August 2015 and is approximately 1/3 complete.

Significant Actions/Issues

- Genesee County 911 assumed dispatch responsibilities for city police and fire on August 17, 2015. This merger was approved in 2014 and is expected to save the city \$1M per year.
- On August 12, 2015, the RTAB approved a transfer of \$323K from the Fire Department to the Police Department to hire five additional patrol officers. The city has initiated a hiring process.

- The KWA pipeline is expected to be completed in June 2016. The two pump stations are approximately 75% complete and the intake is completed.
- The city is implementing Veolia recommended improvements to its water system, including water plant improvements, distribution system improvements, new policies and procedures, and better communication with customers. The city installed a \$1.5M granulated active-charcoal filter to improve water quality. All twelve filters are installed and are in use.
- If the city loses a lawsuit over retiree healthcare, the EM's two-year budget does not assume an additional \$5M to \$6M annual expense.

Hamtramck

RTAB Appointed: December 18, 2014

RTAB Members: Deborah Roberts, Mark Stema, Cathy Square, Karen Young

Recent Developments

- The city is undertaking a \$6M sewer infrastructure improvement project which is eligible for State Revolving Fund monies. The project will reduce storm water inflow into sanitary sewers. Certain rehabilitation elements of the project will commence on October 15, 2015 and conclude in spring 2016. The sewer relief portion will begin in December 2015 and will be completed next summer.
- The city is pursuing a third party police study which will help administrators review options for reducing costs and providing more efficient service.
- The contractor Tyler Technologies is reassessing all residential and commercial properties.

Significant Actions/Issues

- The City Council adopted the FY 16 Budget on June 17, 2015. The RTAB approved this action on June 23, 2015. The city has also developed a long-term capital improvements plan.
- A suit was filed in federal court by Hamtramck retirees over changes to healthcare benefits made in October 2014. The potential exposure to the city is currently unknown.
- The annual pension liability is anticipated to increase from \$3.5M in FY 15 to \$4.3M by FY 19. This increase is a result of closing certain pension plans and the Michigan Employee's Retirement System (MERS) policy of accelerating the required contribution for closed plans. The increases were included in the EM's two-year budget.

Pontiac

RTAB Appointed: August 19, 2013

RTAB Members: Edward Koryzno, Louis Schimmel, Keith Sawdon, Robert Burgess

Recent Developments

- On September 14, 2015, the City Council approved Jane Bais-DiSessa for the position of Deputy Mayor. The RTAB approved this appointment on September 16, 2015.
- On July 6, 2016, Oakland County Circuit Court Judge Michael Warren dismissed the lawsuit filed by the city against Ottawa Towers LLC/ Phoenix Center. Treasury is working with the city to move forward with the sale to a private operator which could free up \$2M in demolition funds.

Significant Actions/Issues

- On August 19, 2015, the RTAB approved filling the positions of Customer Service Representative and Community Relations Specialist. These positions will assist the Mayor with community and economic development activities.
- Per the city's FY 14 audit, the General Fund accumulated fund balance is approximately \$5M out of a total budget of \$27M.
- The city lost a decision at the Michigan Court of Appeals which may make it liable for a \$3.5M payment to the Police and Fire VEBA. The city requested reconsideration but was denied. In May, the RTAB approved the city's request to appeal to the MI Supreme Court.
- The City of Pontiac Retired Employees Association v. City of Pontiac lawsuit (in U.S. District Court) was reassigned from Judge Lawrence P. Zatkoff to Judge Avern Cohn. The lawsuit challenges former EM Schimmel's elimination of retiree healthcare and replacement with an annual stipend. The General Employees Retirement System Pension Fund is significantly overfunded and the parties are exploring options to use the overfunded portion to fund retiree healthcare. Mediation is taking place under the supervision of Eugene Driker.

CONSENT AGREEMENT

Inkster

Date Executed: February 20, 2012

Consent Agreement Consultant: Mark Stuhldreher

Recent Developments

- On June 29, 2015, a tentative agreement was reached with Wayne County to place a judgment levy on the tax rolls. The levy would run for five years and repay the county \$4.9M in past due sewer charges. The city is in discussions with Wayne County to postpone the levy until July 2016.
- On August 18, 2015, the Michigan Court of Appeals ruled (Trahey v City of Inkster) that the trial court erred in determining the city's 2012 water and sewer rates were unreasonable and ordering the city to issue \$2.55M in credits to residents for reduced water and sewer rates. The city is evaluating this decision.
- The city is collaborating with MSHDA and MEDC to seek new housing developments and development of several vacant commercial parcels. Inkster Police and the city will be utilizing an accumulation of training dollars to train police personnel and staff going forward.

Significant Actions/Issues

- On May 18, 2015, City Council approved the FY 16 Budget.
- On August 3, 2015, the City Council voted to change the employment status of City Manager, Richard Marsh to Special Advisor to the city. The City Council named City Treasurer, Mark Stuhldreher to the position of Interim City Manager. A search firm will conduct a national search to fill the City Manager's position.
- On April 20, 2015, the city adopted a working capital reserve policy for the Water and Sewer Fund which will provide funds for emergency situations.
On June 29, 2015, an Order was issued requiring the City Treasurer to approve all employment matters with city officials and employees, expenditure of funds, and all contracts.

- William Riley is Inkster's new Police Chief. Mr. Riley's start date was August 10, 2015. The new chief has been reaching out to community groups and the neighborhoods, and is fully engaged.

River Rouge

Date Executed: December 15, 2009

Consent Agreement Consultant: N/A (P.A. 72)

Significant Actions/Issues

- A fire union collective bargaining agreement was approved in March, resulting in a reduction in healthcare costs.
- The city adopted its FY 16 Budget on May 19, 2015. The budget is balanced and has a beginning fund balance of \$1,967,613. The city has prepared a proposed five-year budget that shows a deficit in FY 18 to FY 20 unless additional revenues can be found.

Royal Oak Township

Effective Date: April 21, 2014

Consent Agreement Consultant: Robert Burgess

Recent Developments

- The Township Board voted to extend the Consent Agreement Consultant's contract through March 31, 2016.
- The Consent Agreement Consultant, Treasury, and the Michigan State Police met with Oak Park City Manager on September 21, 2015 to discuss the city providing police services to the township.
- A six-month plan has been developed by Consent Agreement Consultant Robert Burgess, listing the priorities for the next several months. Treasury has been offering assistance to the consultant in implementing the plan's priorities.

Significant Actions/Issues

- On August 4, 2015, voters approved a renewal of 4.5 mills for general operations.
- On June 17, 2015, an Order was issued granting the Consultant broad authority to approve expenditures made by the township and ensure that obligations are being paid. The Order also gives the Consultant authority to invest the \$620K in reimbursed retirement assets with MERS.
- The Michigan State Police continues to provide police services to the township.
- The township audit was completed. Auditors recommend the township submit a Deficit Elimination Plan for 2014, select a firm to advise the township on financial matters, and perform an inventory of assets.

- Treasury learned that the Township Supervisor was regularly authorizing overtime for employees, though overtime was not included in the FY 15 Budget and the Consent Agreement requires State Treasurer approval prior to overtime expenditures. On May 20, 2015, an Order was issued requiring the Consultant to approve all requests for overtime prior to authorization.

Wayne County

Recent

- On September 15, 2015, the County Deputy Chief Financial Officer submitted a cash flow forecast as required by the Consent Agreement. It is under review by Treasury staff.
- AFSCME Council 25 attempts to block any changes to the terms and conditions of employment has failed at the state courts. On September 15, 2015, AFSCME filed a Motion for a Temporary Restraining Order to prevent changes to the terms and conditions of employment in Federal Court but it has not yet been granted. The County has filed a request with the United States District Court to deny the Temporary Restraining Order and to dismiss the lawsuit. No decision has been made.

Significant Actions/Issues

- On August 21, 2015, the County Board approved the Consent Agreement negotiated between the County Executive and State Treasurer.
- On June 10, 2015, the county reached a settlement with retirees on healthcare. The county will no longer provide health insurance but will instead provide a stipend to retirees. This will result in a savings of \$20M annually.
- The county's annual structural General Fund deficit is approximately \$52M prior to any of the proposed remedial actions.
- The county's proposed restructuring is approximately \$53M in General Fund savings, \$25M of which comes from changes to pension and healthcare benefits for active employees and healthcare benefits for retirees.
- The county has not yet proposed a long-term solution to its jail problems.

NEUTRAL EVALUATION

Highland Park

Financial Review Team Appointed: December 2, 2013

Financial Emergency Declared: January 30, 2014

P.A. 436 Option Selected: Neutral Evaluation

Recent Developments

- On August 11, 2015, a report was issued by Meadowbrook Insurance on the progress of reducing the city's healthcare costs. When successfully implemented after October 1, 2015, the \$1.4M annual cost of healthcare could be reduced to \$630K.
- On August 24, 2015, City Council gave conditional approval to the settlement agreement between the city and DWSD over past due water and sewer bills. However, the city is waiting for a response from DWSD on other issues.
- The second phase of emergency loans is under discussion. It would consist of approximately \$4.7M to restructure the city's three outstanding emergency loans and \$11.5M to refinance outstanding debt.

- The city has purchased the first quantity of water meters at a cost of \$343K. Meter installation is underway.
- Wade Trim, the firm hired by Highland Park to manage the water and sewer operations, processed the first regular water and sewer bills to customers on August 13, 2015.

Significant Actions/Issues

- On June 29, 2015, City Council approved a substantial increase in water and sewer rates which will allow the city to fund water and sewer operations.
- On July 6, 2015, Wade Trim began duties to operate and maintain the water and sewer systems.
- Louis Schimmel was hired on June 29, 2015, to provide consulting services regarding water and sewer issues.
- On July 31, 2015, the water and sewer amnesty program expired. City Administrator Cathy Square stated the city will work with customers to settle their past due accounts.
- On May 18, 2015, the City Council approved a resolution requesting MDOT to pay for storm water drainage from the highways and freeways under state jurisdiction in the city. The City Administrator has indicated that the city has filed suit against both MDOT and Wayne County over storm water.
- On May 18, 2015, City Council approved a consultant's recommendation for an amnesty plan for residential customers to pay arrearage amounts owed to the city. The consultant has determined that if all customers take advantage of the amnesty plan, the city could collect \$2.08M. The city extended the amnesty plan until July 31, 2015 to allow more time for customers to pay past due accounts.
- The city's liabilities total \$99.9M. Some major components are: \$55.3M debt, including \$20.7M owed to the DWSD, and \$26.1M unfunded other post-employment benefits (OPEB).

EMERGENCY MANAGER - MUNICIPALITIES				
Unit of Government	Current Emergency Manager	Initial Appointment Date	Target Exit Date	Notes
City of Lincoln Park	Brad Coulter	July 3, 2014	January 2016	FY 15 ended with an estimated \$100K general fund operating surplus. Will submit DEP. Actuarial analysis published on 5/20/15 shows further decline in pension funding down 23%. Mathew Coppler, City Manager of Enfield, Connecticut accepted position of City Manager.
FINANCIAL REVIEW COMMISSION (FRC) – MUNICIPALITIES				
Unit of Government	Board Members	Appointment Date	Target Exit Date	
City of Detroit	Nick Khouri, John Roberts, Bill Martin, Mike Duggan, Brenda Jones, Darrell Burks, Lorrion James, Stacy Fox, Tony Saunders	November 12, 2014	NA	City held its bi-annual revenue estimating conference on 9/17/15 and submitted report to FRC on 9/28/15. Mayor Duggan briefed the FRC on 9/28/15 in closed session on his strategy and details of the pending collective bargaining agreement with the city's bus drivers.
RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB) - MUNICIPALITIES				
Unit of Government	Board Members	Appointment Date	Target Exit Date	Notes
City of Allen Park	Suzanne Schafer, Joyce Parker, Fredrick Frank, Karen Barann	September 26, 2014	NA	4-year CBA with police approved by Council and the RTAB despite concerns in increased costs. (RTAB vote was 2-1 to approve). RTAB approved 5-year financial plan on 5/15/15. Bond Tender extension expired on 10/1/15. \$11.21M of bonds were tendered.
City of Benton Harbor	Larry Steckelberg, Bret Witkowski, Marvin Raglon, Sharon Hunt	March 10, 2014	NA	Commission requested a hearing to discuss financial assistance re EM decisions made that resulted in legal fees and settlement costs. Former Public Safety Director brought Whistleblower and Elliot Larson Civil Rights case against the city. Mediation took place on 7/17/15, no settlement reached.
City of Ecorse	Edward Koryzno, Robert Bovitz, Joyce Parker	May 1, 2013	NA	Balanced 5-year financial plan completed. Difficult changes must be realized to comply. RTAB approved balanced FY 16 Budget on 5/12/15.

Public Act 436 of 2012 Summary

MUNICIPALITIES

City of Flint	Frederick Headen, Brian Larkin, David McGhee, Beverly Walker-Griffa, Robert McMahan	April 29, 2015	NA	As a result of lawsuit decision, city estimates that revenue will decrease by \$666K per month and projects a lost \$6.6M for remainder of the fiscal year. The injunction requires city to repay \$15.7M from the General Fund to the Water Fund. KWA pipeline expected to be completed in June 2016.
City of Hamtramck	Deb Roberts, Mark Stema, Karen Young, Cathy Square	December 1, 2015	NA	Undertaking a \$6M sewer infrastructure improvement project which is eligible for State Revolving Fund Monies. Project will reduce storm water inflow into sanitary sewers.
City of Pontiac	Edward Koryzno, Louis Schimmel, Keith Sawdon Robert Burgess	August 19, 2013	NA	On 9/16/15, City Council approved Deputy Mayor hire. City lost Supreme Court ruling to demolish Phoenix Center. Treasury working with city to move forward with sale to private operator which frees up \$2M in demolition funds. FY 16 Budget and 2015 tax rates approved by RTAB on 6/26/15.
CONSENT AGREEMENT - MUNICIPLITIES				
Unit of Government	Treasury Representative/Consultant	Date Executed	Term of Consent Agreement	Notes
City of Inkster	Mark Stuhldreher, Interim City Manager and City Treasurer/Finance Director	February 20, 2012	N/A	On 8/3/15, City Council voted to change the employment status of the City Manager to Special Advisor. Mark Stuhldreher appointed interim City Manager. Tentative agreement w/ Wayne County for judgement levy on tax rolls. Levy to run for 5 years and repay county \$4.9M in past due sewer charges. Collaborating with MSHDA and MEDC to seek new housing developments and development of several vacant commercial parcels.
City of River Rouge	N/A (P.A. 72)	December 15, 2009	N/A	FY 16 Budget adopted on 5/19/15. Proposed 5-yr budget shows a deficit in FY 18 to FY 20 unless additional revenues can be found.
Royal Oak Township	Robert Burgess	April 21, 2014	October 31, 2017	On 8/3/15, voters approved a renewal of 4.5 mills for general operations. Order issued on 6/17/15 granting the Consultant broad authority to approve expenditures made by the township to ensure obligations are being paid.
Wayne County				On 9/15/15, AFSCME filed motion for temporary restraining order to prevent changes to terms and conditions of employment in Federal Court. County filed request with US District Court to deny the temporary restraining order and dismiss lawsuit. No decision has been made.

				On 6/10/15, county reached settlement with retirees on healthcare to provide stipend in lieu of health insurance.
NEUTRAL EVALUATION - MUNICIPALITIES				
Unit of Government	Financial Review Team Appointed	Financial Emergency Declared	Date Option Selected	Notes
City of Highland Park	December 2, 2013	January 30, 2014	May 1, 2014	Wade Trim began operating and maintaining water and sewer systems on 7/6/15. 2 nd phase of emergency loans tentative for 9/24/15 – \$4.7M to restructure 3 outstanding loans and \$11.5M to refinance outstanding debt. On 6/29/15, Council approved substantial increase in water/sewer rates.
OTHER COMMUNITIES - MUNICIPALITIES				
City of Melvindale * City of Wayne *				
EMERGENCY MANAGER - SCHOOLS				
Unit of Government	Emergency Manager	Appointment Date	Target Exit Date	Notes
Detroit Public Schools	Darnell Earley	January 13, 2015	April 2016	Sodexo expected to petition for judgment levy for unpaid balance of \$26M. Hired a Deputy Superintendent of Finance and Operations. Continues to work on long-term strategy with E&Y/ Parthenon. Weekly meetings to monitor critical cash, shortfall of approximately \$78M for FY16. ORS delinquencies growing to approximately \$95.7M; reached agreement at \$750k per month and submit a plan to resolve balance due by October 2016. Pupil count projected to decline by 848 from 47,098 in FY 14-15 to 46,250 in FY 15-16.
Highland Park School District	Donald Weatherspoon	April 15, 2015	October 2016	Beginning in September 2015, DPS provides for educational services for grades 9-12. Renewal of non-homestead millage is scheduled for November 2015. Pupil count projected to decline by 40 students from 580 in 2014-15 to 540 in 2015-16.
Muskegon Heights School District	Steven Schiller	April 15, 2015	October 2016	Completed transition from Mosaica to ISD. ORS payments continue to go only towards interest payments, leaving the principal amount due

				untouched. Pupil enrollment projected to decline by 80 from 902 in 2014-15 to 822 in 2015-2016.
CONSENT AGREEMENT - SCHOOLS				
Unit of Government	Consultant	Appointment Date	Target Exit Date	Notes
School District of City of Pontiac	Donald Weatherspoon	October 15, 2013	September 2015	District expects to place before voters in March 2016 non-homestead millage, the same date as the Republican Presidential Primary. District expects to place before voters in May 2016 a 2.87 mill, 5-year sinking fund ballot measure. In August, a similar measure failed by less than 120 votes. Pupil count projected to decline by 14 from 4,329 in 2014-15 to 4,315 in 2015-16.
Benton Harbor Schools	Cynthia M. LaGrow	November 18, 2014	November 2016	Hired new CFO. Formally dismissed suspended superintendent and entered into a settlement agreement. Pupil count projected to decline of 101 from 2,428 in 2014-15 to 2,327 in 2015-16. Transitioned from Plante Moran to Berrien RESA for essential office admin support.
SCHOOLS WATCH LIST				
With the passage of 2015 PAs 109-111, Treasury is expected to have authority over the following deficit districts. * Flint * Hazel Park * Westwood * Mt. Clemens * Bridgeport Spaulding * Clintondale * New Haven * Vanderbilt * Southgate *				

Message

From: Hollins, Harvey (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=HOLLINSH]
Sent: 9/28/2015 8:30:43 PM
To: Clayton, Stacie (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Claytons3]
Subject: Fwd: Governor's Assistance

Best,
Harvey

Begin forwarded message:

From: "Muchmore, Dennis (GOV)" <muchmored@michigan.gov>
Date: September 28, 2015 at 6:04:28 PM EDT
To: "'Rep. Sheldon Neeley (District 34)'" <SheldonNeeley@house.mi.gov>
Cc: "Hollins, Harvey (GOV)" <hollinsh@michigan.gov>, "Wyant, Dan (DEQ)" <WyantD@michigan.gov>, "Lyon, Nick (DCH)" <LyonN2@michigan.gov>
Subject: RE: Governor's Assistance
Representative-

We're setting up a meeting with you, Harvey Hollins, Nick Lyon and Dan Wyant as soon as possible to make sure you are in the same loop on this as we are. The issues you raise in your letter are similar to the same ones we are raising internally ourselves. Lead is not an acceptable risk in any event, however lead content pipes are prevalent in older cities throughout Michigan and we'll all have to pool our efforts to work with these pipes now and in the future. Although there are some legitimate questions relating to the conclusions reached by the Hurley folks, they are a city institution and we would have expected them to report and discuss those concerns with city leadership so that the city could act, but that is a different subject.

Whenever you are available we'll do our best to schedule and come over and meet with you.

From: Rep. Sheldon Neeley (District 34) [<mailto:SheldonNeeley@house.mi.gov>]
Sent: Monday, September 28, 2015 5:44 PM
To: GovernorsOffice <GovernorsOffice@michigan.gov>; Snyder, Rick (GOV) [REDACTED]; Muchmore, Dennis (GOV) <muchmored@michigan.gov>; Posthumus, Dick (GOV) <Posthumusd@michigan.gov>
Subject: Governor's Assistance

Please see attached letter.

From: Ellison, Melanie (GOV)
Sent: Tuesday, February 11, 2014 6:17 PM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Roberts, John (GOV); Tomich, Zak (GOV); Emmitt, Beth (GOV); Utley, Corey (GOV); Bedan, Morgan (GOV); Ellison, Melanie (GOV)
Subject: February 12 Daily Briefing
Attachments: 140212 Daily Briefing.pdf

Governor,

Attached is your Daily Briefing for February 12th. It contains:

- **Redacted**
- **Events**
- **Redacted**
-

Meetings

- BR Monthly Meeting – Pages 22 – 33
 - Agenda
 - Regions Update
 - Senior Special Message
 - Economic Summit Update
 - Social Impact Bonds Update
- Meeting with Treasury re: Cities/
 -
 - Emergency Manager Communities
 - **Redacted**
 -
 -
 -
 -
 -

For Review

- **Redacted**
-

Please let us know if you have any questions.

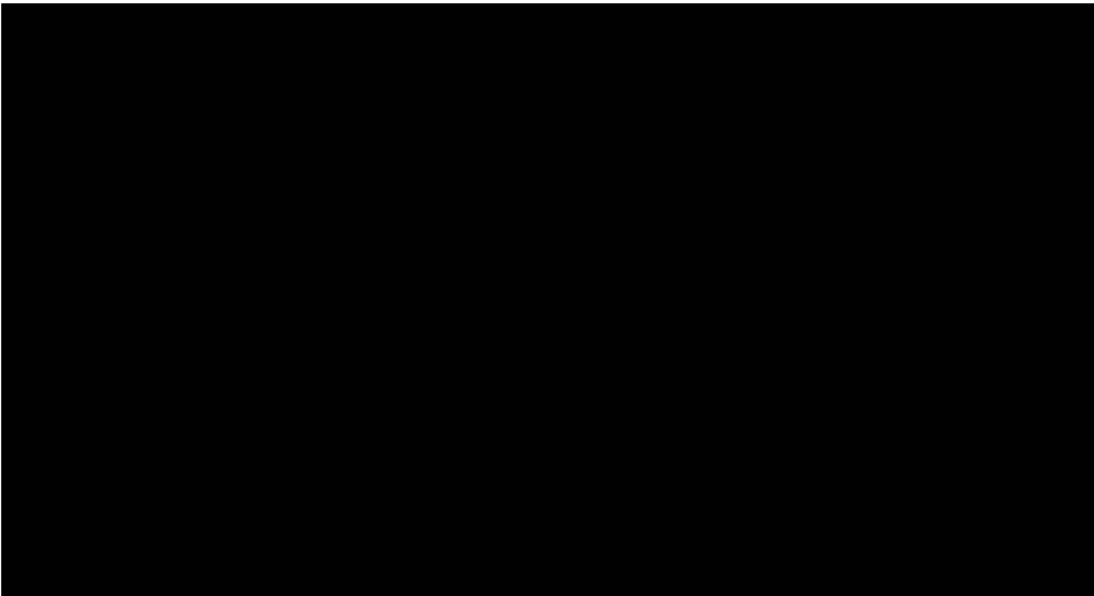
Thank you,

Melanie

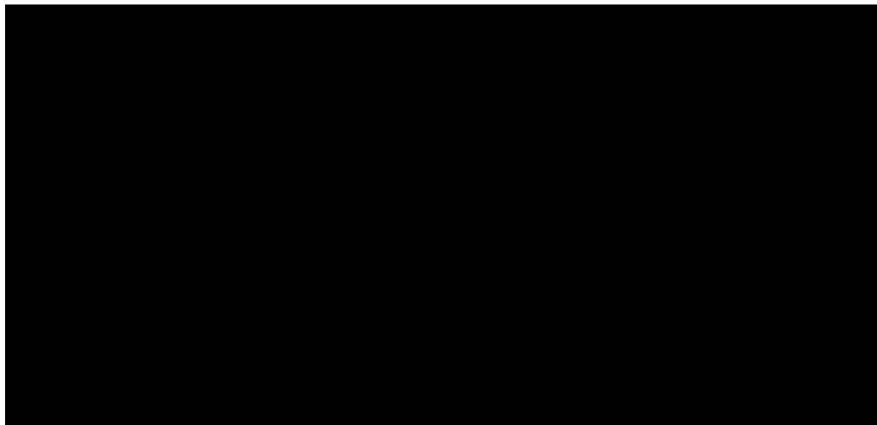
From: Ellison, Melanie (GOV)
Sent: Tuesday, February 11, 2014 6:17 PM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV); Muchmore, Dennis (GOV); Roberts, John (GOV); Tomich, Zak (GOV); Emmitt, Beth (GOV); Utle, Corey (GOV); Bedan, Morgan (GOV); Ellison, Melanie (GOV)
Subject: February 12 Daily Briefing
Attachments: 140212 Daily Briefing.pdf

Governor,

Attached is your Daily Briefing for February 12th. It contains:



- Meeting with Treasury re: Cities/
 - [Redacted]
 - Emergency Manager Communities



Please let us know if you have any questions.

Thank you,

Melanie

Governor Rick Snyder
February 12, 2014
Daily Briefing

Contents	Pages
Redacted	
2. Emergency Manager Communities – Page 37	
Redacted	

Redacted Pages 2-39

Emergency Manager Communities

- **Flint**

Redacted

- Monitor completion of the Karegnondi Water Authority to resolve cost issues with DWSD

Redacted

Redacted Pages 41-55

From: Workman, Wayne (TREASURY)
Sent: Friday, August 14, 2015 11:38 AM
To: Snyder, Rick (GOV)
Cc: Muchmore, Dennis (GOV); Clement, Elizabeth (GOV); Scott, Allison (GOV); Khouri, Nick (TREASURY); Roberts, John (DTMB); Baird, Richard (GOV); Walsh, John (GOV); Redford, James (GOV); Allard, Claire (GOV); Wisniewski, Wendy (GOV); Saxton, Thomas (Treasury); Koryzno, Edward (Treasury); Durfee, Sally (TREASURY)
Subject: FW: Local Government Memo and Summary
Attachments: Gov Memo August 2015.docx; 201508_436Summary.docx

Governor Snyder, Attached is the latest update on distressed local governments along with a summary table. We can discuss in detail during our Tuesday briefing. Thank you, Wayne

Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: August 14, 2015
TO: Rick Snyder, Governor
FROM: Wayne Workman, Deputy State Treasurer
SUBJECT: Status of Financially Distressed Local Governments

EMERGENCY MANAGER

Lincoln Park

Emergency Manager: Brad Coulter

Appointed: July 3, 2014

Anticipated Exit: January 2016

Recent Developments

- A four-month plan has been developed, listing the priorities to be accomplished for the remainder of EM Coulter's term and beyond.
- The city is contemplating a lawsuit against the pension funds' actuary.
- PA 345 pension system millage of six mills will be on the November 2015 ballot. This is the second time PA 345 is going before Lincoln Park voters.
- The city ended FY 15 with an estimated \$100K General Fund operating surplus. The city has a General Fund deficit from previous years. EM Coulter will be submitting a Deficit Elimination Plan to Treasury.
- An actuarial analysis published on May 20, 2015, shows a further decline in pension funding down to 23%. More conservative actuarial assumptions were used in this report.
- EM Coulter has modified retiree collective bargaining agreements to reduce healthcare benefits. These changes were implemented in July 2015 and will reduce annual retiree healthcare costs from \$4.1M to \$600K.
- On August 10, 2015, the Lincoln Park Retiree Associations filed a lawsuit against the State of Michigan, Department of Treasury, and the City of Lincoln Park regarding the reduction of city retiree healthcare.
- Mathew Coppler, City Manager of Enfield, Connecticut, accepted the position of City Manager. His contract has been finalized and he will begin work October 1, 2015.

Lincoln Park (continued)

Significant Actions/Issues

- FY 15 ended with a General Fund accumulated deficit of \$636K, out of a total budget of \$21M. This is a significant increase from the FY 13 accumulated deficit of \$89K. Increases were in Public Safety - \$1.1M, Public Works - \$700K, and Culture and Recreation - \$600K.
- Last May voters rejected the Firefighters and Police Officers Retirement Act proposal by a 53% to 47% margin. Had it been approved, an additional \$3M annually would have helped fund fire/police pension and healthcare costs. EM Coulter is pursuing an alternative plan under provisions of PA 345 of 1927 to create a Board of Trustees to manage and operate the retirement system. A request for up to six mills per year to fund public safety pensions will be placed on the November ballot.

Issues to Resolve before EM Exit

- Increase and stabilize pension funding levels.
- Permanently eliminate structural deficit for future fiscal years.

FINANCIAL REVIEW COMMISSION (FRC)

Detroit

FRC Created: November 12, 2014

FRC Members: Nick Khouri, Bill Martin, Brenda Jones, Darrell Burks, John Roberts, Lorrion James, Mike Duggan, Stacy Fox, Tony Saunders

Recent Developments

- The Detroit City Council reconsidered the Detroit Water and Sewerage Department's proposed FY 16 water and sewer rate increase and approved it on July 21, 2015. This action eliminated a potential budget deficit, which was a concern raised by the State Treasurer in his July 2, 2015 letter to the city.
- The city issued its FY 14 Comprehensive Annual Financial Report (CAFR) on June 30, 2015 (following two three-month extensions granted by the State Treasurer). The city continued to have a deficit for FY 14 as that year closed prior to the bankruptcy confirmation in December 2014. The city expects to report a surplus in its FY 15 CAFR, which is currently underway and expected to be completed no later than March 2016.
- At the FRC's July 27, 2015 meeting, the city indicated it would reduce its bankruptcy exit financing debt by \$30M (from \$275M to \$245M) prior to its scheduled syndication in mid-August. The State Treasurer and FRC Executive Director are participating in the city's rating agency and investor presentations to discuss the State's oversight role.
- On July 29 and July 30, 2015, the city received its first post-bankruptcy credit ratings from S&P and Moody's. Only S&P rated the city's exit financing, for which it received an investment-grade "A" rating, with a stable outlook. The exit financing is secured by a statutory lien on city income tax revenue. Both rating agencies provided the city with updated underlying General Obligation (GO) ratings. S&P assigned a "B" rating, with a stable outlook. Moody's upgraded the city from "B3" to "B2," with a positive outlook.

Detroit (continued)

Significant Action/Issues

- The first statutorily required biannual report on Detroit was filed by the FRC on May 28, 2015. The report detailed the FRC's activities and formal requirements since its appointment in November 2014. The FRC will file its second biannual report in December 2015.
- The city submitted its Four-Year Financial and Operating Plan (Plan) to the FRC in March. After reviewing the Plan and determining it was based on sound assumptions and met all statutory requirements, the FRC granted approval on April 20, 2015. The city's Plan encompassed the second year (FY 16) of Emergency Manager Orr's two-year budget and used this as its base year with no changes, plus three years (FY 17, FY 18, and FY 19).
- The City of Detroit Assessor's Office is currently conducting a multi-year project to reappraise all properties in Detroit, after the State Tax Commission found significant problems with property valuations. The reappraisal is scheduled to be completed in 2017.

RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB)

Allen Park

RTAB Appointed: September 26, 2014

RTAB Members: Suzanne Schafer, Joyce Parker, Fredrick Frank, Karen Barann

Recent Developments

- The City Council has approved a new, four-year collective bargaining agreement with the police bargaining unit. Treasury reviewed the tentative agreements and had a number of concerns with the terms including the identification of over \$237K in increased costs in Year 1. Despite these concerns, the RTAB voted 2 to 1 to ratify the approval of these collective bargaining agreements.
- The city wishes to seek bids for retiree health insurance coverage after being informed by Blue Cross that a 23% rate increase of \$644K will become effective October 1, 2015. The RTAB has approved this request and Treasury is working with the city to identify potential legal ramifications in the lawsuit with retirees if coverage is changed to a new provider.
- The city was informed by Blue Cross that a billing oversight has resulted in the city underpaying for insurance coverage for retirees in the amount of \$853K.
- The city received a \$1.2M Staffing for Adequate Fire and Emergency Response Grant, which will allow them to retain six firefighters over the next two years.
- On May 15, 2015, an updated five-year budget projection from the city was received. The RTAB approved this item on August 5, 2015.
- The RTAB approved the hiring of a professional search firm to assist with finding qualified City Administrator candidates. Treasury is participating in the selection process. The City Council will be interviewing the finalists for the position in August 2015.
- Completion of the bond tender process is projected for August 2015. The 2015 Refunding Bonds will be rated Single A, due to the city's pledge of distributable state aid.

- Standard & Poor's released its rating of the city on June 24, 2015, in anticipation of the bond tender release. The city's long-term rating for the existing bonds was downgraded with a negative outlook. The downgrade of these bonds is similar to the rating by Standard and Poor's on the City of Detroit's DWSD tender refinancing.

Allen Park (continued)

Recent Developments (continued)

- A retired city employee has brought a breach of contract and age discrimination lawsuit against the city. The city's insurance policy covers only a small portion of the alleged damages. A Settlement Conference was held between all parties on July 20, 2015, but no resolution was achieved. The court has ordered mediation proceedings.
- The city's current budget is balanced.

Significant Actions/Issues

- The city completed its move to a new temporary City Hall on June 8, 2015.
- The City Council adopted the FY 16 Budget on May 26, 2015, and the RTAB approved this action on June 3, 2015.
- Inquiries are being made to add one member to the RTAB.
- Litigation was filed by retirees challenging the EM's authority to reduce other post-employment benefit (OPEB) liabilities. A motion for summary disposition is pending. No date has been set to hear this motion.

Benton Harbor

RTAB Appointed: March 10, 2014

RTAB Members: Larry Steckelberg, Bret Witkowski, Marvin Raglon, Sharon Hunt

Recent Developments

- On August 3, 2015, the City Commission adopted a resolution requesting a hearing with the Department of Treasury to discuss financial assistance for decisions made during the tenure of emergency managers that resulted in legal fees and settlement costs.
- TAt-Large Commissioner Mary Donald passed away on June 12, 2015. On August 10, 2015, the City Commission appointed Edward Isom to finish her unexpired term, which ends December 31, 2015. On August 11, 2015, the RTAB approved the appointment.
- The first annual evaluation from the RTAB was conducted on July 29, 2015. It will be sent to the RTAB for review.
- The City Commission adopted the FY 16 Budget on June 15, 2015. The RTAB approved this action on June 22, 2015.

Significant Actions/Issues

- FY 14 audited General Fund revenues exceed expenditures by \$1M, out of a total budget of \$6.1M.
- Former Benton Harbor Public Safety Director Roger Lange brought a Whistleblower and Elliot Larson Civil Rights case against the City of Benton Harbor and former EM Tony Saunders. Mediation took place on July 17, 2015, with Jon March of Miller Johnson serving as the mediator. No settlement was reached.

Ecorse

RTAB Appointed: May 1, 2013

RTAB Members: Edward Koryzno, Robert Bovitz, Joyce Parker

Recent Developments

- The city has completed a balanced five-year financial plan. One challenge includes the outsourcing of fire services which must be realized soon to keep the financial plan solvent. This is the first time the city has proposed a viable path out of receivership.
- The degree of State oversight may be reduced if the city can convincingly show a commitment to the cost saving measures they have promised.
- The RTAB approved the city's choice for city controller at the August meeting. Tim Sadowski will commence work later this month.
- A second annual evaluation from the RTAB will commence in the coming months.

Significant Actions/Issues

- The city continues to have difficulty attracting qualified candidates and filling higher level administrative positions.
- Municipal Employee's Retiree System pension contributions are anticipated to increase from \$1.8M in FY 15 to \$2.4M in FY 16 due to accelerated funding for closed plans.
- On May 12, 2015, the RTAB approved a narrowly balanced FY 16 Budget. To balance the budget, the city increased an existing PA 33 levy by approximately 15 mills.

Flint

RTAB Appointed: April 29, 2015

RTAB Members: Frederick Headen, Brian Larkin, David McGhee, Beverly Walker-Griffiea, Robert McMahan

Recent Developments

- At a special meeting held on August 11, 2015, the City Council approved the transfer of \$323K from the Fire Department to the Police Department to hire five additional patrol officers. The RTAB approved this transfer on August 12, 2015.
- On August 7, 2015, Genesee County Circuit Court invalidated the city's 35 percent water and sewer rate increases which were reverted back to 2011 rates. This decision could potentially cost the City's General Fund up to \$50M. The city expects to receive a final order from the Circuit Court on August 17, 2015, and is prepared to file an emergency appeal to the Court of Appeals. The City Administrator has instituted hiring and spending freezes across all departments, and Treasury is working with the city to identify the impact from this decision.
- In addition, on August 7, 2015, Genesee County Circuit Judge Archie Hayman issued an emergency injunction that prevents the city from further charging water service fees, instituted on all water bills to recoup funds used to settle a 2007 lawsuit. The ruling requires the city to repay \$15.7M from the General Fund to the Water Fund. The ruling also prohibits the city from disconnecting water service for late payment and prevents the city from placing liens on property for past due water bills. The city plans to appeal this decision.

Flint (continued)

Recent Developments (continued)

- The City Council approved an amendment to the EM adopted FY 15 Budget on June 29, 2015. The city ended FY 15 with an estimated \$495K General Fund balance. The RTAB denied the budget amendment at their July 15, 2015 meeting because the City Council also approved the use of \$200K of the city's \$495K General Fund balance for grass and weed abatement throughout the city. The City Council reconsidered and adopted the budget amendments, which were approved by the RTAB on August 12, 2015. The City Administrator has also developed a plan to allocate additional resources toward grass and weed abatement.
- On July 15, 2015, the RTAB approved the issuance of an Obsolete Property Rehabilitation Act (OPRA) certificate for a downtown property. The City Council had initially rejected issuance of the OPRA certificate but an EM Order permits the RTAB to make the final determination on economic development projects.
- On July 15, 2015, the RTAB also approved ballot language for the renewal of the Regional Flint Mass Transportation Authority millage. The renewal is proposed for five years at the current 0.6 mills per year. This proposal will appear on the November 2015 ballot.
- U.S. District Judge Stephen J. Murphy denied a motion for a preliminary injunction on June 23, 2015, to force the city to purchase water from the City of Detroit. Another lawsuit to force the city to purchase water from the City of Detroit was filed in Genesee County Circuit Court on July 16, 2015.
- The city's Economic and Community Development Director is leaving in August 2015. Current staffing vacancies also include the City Treasurer and the Human Resources Director.
- As a result of a recent review, the State Tax Commission notified the city that it must maintain adequate assessment records in compliance with statute and State Tax Commission Rules, and must implement any corrective actions necessary. In addition, the city shall implement a full reassessment within a time frame agreed upon with the State Tax Commission. The city is preparing to issue an RFP for a reappraisal.
- The city continues to inform residents that it is in violation of the Clean Water Standards Act. Monthly testing is ongoing.
- The city is implementing Veolia recommended improvements to its water system, including water plant improvements, distribution system improvements, new policies and procedures, and better communication with customers. The city installed a \$1.5M granulated active-charcoal filter to improve water quality. All twelve filters are completely installed and will be in use by August 17, 2015.
- The city hired Echologics at a cost of \$895,850 to perform a leak detection study. This project commenced on August 10, 2015.
- The KWA pipeline is expected to be completed in June 2016. The two pump stations are 75% complete and the intake should be completed in August 2015.

Flint (continued)

Significant Actions/Issues

- The City Administrator has issued a Corrective Action Plan to the City Clerk to correct a number of operational deficiencies that resulted in the wrong election submission dates being provided to local candidates.
- On June 12, 2015, the Michigan Court of Appeals reversed a decision by Genesee County Circuit Judge Richard Yuille, who dismissed a claim that the city violated its own ordinances when the EM raised water and sewer rates in 2011.
- If the city loses a lawsuit over retiree healthcare, the EM's two-year budget does not assume an additional \$5M to \$6M annual expense.

Hamtramck

RTAB Appointed: December 18, 2014

RTAB Members: Deborah Roberts, Mark Stema, Cathy Square, Karen Young

Recent Developments

- The city is undertaking a \$7M sewer infrastructure improvement project which is eligible for State Revolving Fund monies. The project will reduce storm water inflow into the sanitary sewers.
- The City is pursuing a third party police study which will help administrators reduce the overtime rates.
- A contractor is reassessing both residential and commercial properties.

Significant Actions/Issues

- The City Council adopted the FY 16 Budget on June 17, 2015. The RTAB approved this action on June 23, 2015. The city has also developed a long-term capital improvement plan.
- A suit was filed in federal court by Hamtramck retirees over changes to healthcare benefits made in October 2014. The potential exposure to the city is currently unknown.
- The annual pension liability is anticipated to increase from \$3.5M in FY 15 to \$4.3M by FY 19. This increase is a result of closing certain pension plans and the Michigan Employee's Retirement System (MERS) policy of accelerating the required contribution for closed plans. The increases were included in the EM two-year budget.

Pontiac

RTAB Appointed: August 19, 2013

RTAB Members: Edward Koryzno, Louis Schimmel, Keith Sawdon, Robert Burgess

Recent Developments

- On July 18, 2015, the City Council approved the recommendation of the Local Officer Compensation Commission to increase Council's compensation from \$7K to \$15K. The RTAB approved this action on July 27, 2015.
- Interviews for the Deputy Mayor position are being held in August 2015.
- The city lost the Supreme Court ruling on efforts to demolish the Phoenix Center. Treasury is working with the city to move forward with the sale to a private operator which frees up \$2M in demolition funds.

Pontiac (continued)

Significant Actions/Issues

- On June 18, 2015, the City Council adopted the proposed FY 16 Budget and 2015 tax rates. The RTAB held a special meeting on June 26, 2015, to approve the proposed FY 16 Budget and 2015 tax rates.
- On May 21, 2015, the Securities and Exchange Commission (SEC) issued an Order to initiate proceedings against Gray & Company, the city's pension investment advisor. The proceedings involve Gray & Company's dealings with investments made by several Georgia pension plans in the Gray & Company Alternative Fund II LP, a proprietary private equity fund. The Pension Board met with Mr. Gray to discuss the SEC proceedings, its effects on the Pontiac GERS portfolio, and how much is invested with Gray's firm. The Pension Board has withdrawn its pension assets from Gray & Company controlled funds.
- The city lost a decision at the Michigan Court of Appeals which may make it liable for a \$3.5M payment to the Police and Fire VEBA. The city requested reconsideration but was denied. On May 20, 2015, the RTAB approved the city's request to appeal to the Michigan Supreme Court.
- Per the city's FY 14 audit, the general fund's accumulated fund balance is approximately \$5M out of a total budget of \$27M.
- The City of Pontiac Retired Employees Association v. City of Pontiac lawsuit (in U.S. District Court) was reassigned from Judge Lawrence P. Zatkoff to Judge Avern Cohn. The lawsuit challenges former EM Schimmel's elimination of retiree healthcare and replacement with an annual stipend. The General Employees Retirement System Pension Fund is significantly overfunded and the parties are exploring options to use the overfunded portion to fund retiree healthcare. Mediation is taking place under the supervision of Eugene Driker.

CONSENT AGREEMENT

Inkster

Date Executed: February 20, 2012

Consent Agreement Consultant: Mark Stuhldreher

Recent Developments

- On August 3, 2015, the Inkster City Council voted to change the employment status of City Manager Richard Marsh to Special Advisor to the city. The City Council named City Treasurer Mark Stuhldreher to the position of Interim City Manager. A search firm will conduct a national search to fill the City Manager's position.
- The City Manager with the approval of the City Treasurer, hired William Riley, Police Chief of Selma, Alabama, to the position of Police Chief. Mr. Riley's start date was August 10, 2015.
- On June 29, 2015, a tentative agreement was reached with Wayne County to place a judgment levy starting with the December 2015 tax roll, for five years, to repay the county \$4.9M in past due sewer charges. The city would like to postpone the levy until 2016 and are in discussions with Wayne County.

- The city is collaborating with MSHDA and MEDC to seek new housing developments and development of several vacant commercial parcels.

Inkster (continued)

Significant Actions/Issues

- The City Council approved the FY 16 Budget on May 18, 2015.
- On April 20, 2015, the city adopted a working capital reserve policy for the Water and Sewer Fund which will provide funds for emergency situations.
- On June 29, 2015, an Order was issued requiring the City Treasurer to approve all employment matters with city officials and employees, expenditure of funds, and all contracts.

River Rouge

Date Executed: December 15, 2009

Consent Agreement Consultant: N/A (PA 72)

Significant Actions/Issues

- A fire union collective bargaining agreement was approved in March, resulting in a reduction in healthcare costs.
- The city adopted its FY 16 Budget on May 19, 2015. The budget is balanced and has a beginning fund balance of \$1,967,613. The city has prepared a proposed five-year budget that shows a deficit in FY 18 to FY 20 unless additional revenues can be found.

Royal Oak Township

Effective Date: April 21, 2014

Consent Agreement Consultant: Robert Burgess

Recent Developments

- On August 4, 2015, voters approved a renewal of 4.5 mills for general operations.
- The township audit was completed. The auditors recommended that the township submit a Deficit Elimination Plan for 2014, select a firm to advise the Township on financial matters and perform an inventory of assets.
- A report issued by the Rehmann Group, the township's financial consultant, noted that the township must make budget adjustments of \$164,275 to its FY 15 General Fund Budget to account for expenditures exceeding revenues in FY 14. The township adopted budget amendments on May 28, 2015.
- An Order was issued on June 17, 2015, granting the Consultant broad authority to approve expenditures made by the township and ensure that obligations are being paid. The Order also gives the Consultant authority to return the \$620K in reimbursed retirement assets to MERS.

Significant Actions/Issues

- The Michigan State Police continues to provide police services to the township.
- Treasury learned that the Township Supervisor was regularly authorizing overtime for employees, though overtime was not included in the FY 15 Budget and the Consent Agreement requires State Treasurer approval prior to overtime expenditures. An Order was issued May 20, 2015, requiring the Consultant to approve all requests for overtime prior to authorization.

NEUTRAL EVALUATION

Highland Park

Financial Review Team Appointed: December 2, 2013

Financial Emergency Declared: January 30, 2014

PA 436 Option Selected: Neutral Evaluation

Recent Developments

- On August 11, 2015, a report was issued by Meadowbrook Insurance on the progress of reducing the City's healthcare costs. When successfully implemented after October 1, 2015, the \$1.4M annual cost of healthcare could be reduced to \$630K.
- On July 6, 2015, Wade Trim began duties to operate and maintain the water and sewer systems.
- Louis Schimmel was hired on June 29, 2015, to provide consulting services regarding water and sewer issues.
- On July 31, 2015, the water and sewer amnesty program expired. City Administrator Cathy Square stated the city will work with customers to settle their past due accounts.
- The second phase of emergency loans is tentatively scheduled to take place on September 24, 2015. It would consist of approximately \$4.7M to restructure the city's three outstanding emergency loans and \$11.5M to refinance outstanding debt.
- The city has purchased the first quantity of water meters at a cost of \$343K.
- The city issued an RFP in July to contract-out the collection of past due water and sewer bills from residential and commercial customers.

Significant Actions/Issues

- On June 29, 2015, the City Council approved a substantial increase in water and sewer rates which will allow the city to fund water and sewer operations.
- On May 18, 2015, the City Council adopted a resolution requesting MDOT to pay for storm water drainage from the highways and freeways under MDOT's jurisdiction in the city.
- On May 18, 2015, City Council approved a consultant's recommendation for an amnesty plan for residential customers to pay arrearage amounts owed to the city. The consultant has determined that if all customers take advantage of the amnesty plan, the city could collect \$2.08M. The city has extended the amnesty plan until July 31, 2015. This will allow more time for customers to pay past due accounts.
- The city's liabilities total \$99.9M. Some major components are: \$55.3M debt, including \$20.7M owed to the DWSD, and \$26.1M unfunded other post-employment benefits (OPEB).

OTHER COMMUNITIES

Wayne County

Recent Developments

- On July 21, 2015, the Review Team reported to the Governor that a financial emergency existed in the County.
- On July 22, 2015, the Governor confirmed the finding of a financial emergency in Wayne County. The County did not request a hearing on the findings as provided for in Public Act 436 of 2012, the Local Financial Stability and Choice Act.
- On August 6, 2015, the County Commissioners voted to choose the option of a consent agreement to address its financial emergency.
- On August 13, 2015, the County Board approved the Consent Agreement negotiated between the County Executive and State Treasurer.

Significant Actions/Issues

- On June 10, 2015, the county reached a settlement with retirees on healthcare. The county will no longer provide health insurance but will instead provide a stipend to retirees. This will result in a savings of \$20M annually.
- On June 17, 2015, the Wayne County Executive requested a preliminary review under the Local Financial Stability and Choice Act, Public Act 436 of 2012. After notification to the county, Treasury began its preliminary review of the County's finances on June 19, 2015. A final preliminary review report was issued on June 30, 2015.
- On July 1, 2015, the Local Emergency Financial Assistance Loan Board met and found that probable financial stress exists in the county.
- The county's annual structural General Fund deficit is approximately \$52M prior to any of the proposed remedial actions.
- The county's proposed restructuring is approximately \$53M in General Fund savings, \$25M of which comes from changes to pension and healthcare benefits for active employees and healthcare benefits for retirees. The county has not yet proposed a long-term solution to its jail problems.

Public Act 436 of 2012 Summary

EMERGENCY MANAGER - MUNICIPALITIES				
Unit of Government	Current Emergency Manager	Initial Appointment Date	Target Exit Date	Notes
City of Lincoln Park	Brad Coulter	July 3, 2014	January 2016	FY 15 ended with an estimated \$100K general fund operating surplus. Will submit DEP. Actuarial analysis published on 5/20/15 shows further decline in pension funding down 23%. Mathew Coppler, City Manager of Enfield, Connecticut accepted position of City Manager.
FINANCIAL REVIEW COMMISSION (FRC) – MUNICIPALITIES				
Unit of Government	Board Members	Appointment Date	Target Exit Date	
City of Detroit	Nick Khouri, John Roberts, Bill Martin, Mike Duggan, Brenda Jones, Darrell Burks, Lorrion James, Stacy Fox, Tony Saunders	November 12, 2014	NA	City Council approved DWSD FY 16 water/sewer increase on 7/21/15 which eliminates a potential budget deficit. First post-bankruptcy credit rating – S&P “A” rating for exit financing, with stable outlook General Obligation rating – S & P rating is a “B” with stable outlook and Moody’s upgraded from “B3” to “B2” with a positive outlook. FRC filed its first biannual report on 5/28/15. 2 nd report will be filed in December 2015. Assessor’s Office conducting multi-year project to reappraise properties - complete in 2017.
RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB) - MUNICIPALITIES				
Unit of Government	Board Members	Appointment Date	Target Exit Date	Notes
City of Allen Park	Suzanne Schafer, Joyce Parker, Fredrick Frank, Karen Barann	September 26, 2014	NA	4-year CBA with police approved by Council and the RTAB despite concerns in increased costs. (RTAB vote was 2-1 to approve). RTAB approved 5-year financial plan on 5/15/15. Bond Tender projects to be completed in August 2015.
City of Benton Harbor	Larry Steckelberg, Bret Witkowski, Marvin Raglon, Sharon Hunt	March 10, 2014	NA	Commission requested a hearing to discuss financial assistance re EM decisions made that resulted in legal fees and settlement costs. Former Public Safety Director brought Whistleblower and Elliot Larson Civil Rights case against the city. Mediation took place on 7/17/15, no settlement reached.

Public Act 436 of 2012 Summary

City of Ecorse	Edward Koryzno, Robert Bovitz, Joyce Parker	May 1, 2013	NA	Balanced 5-year financial plan completed. Difficult changes must be realized to comply. RTAB approved balanced FY 16 Budget on 5/12/15.
City of Flint	Frederick Headen, Brian Larkin, David McGhee, Beverly Walker-Griffea, Robert McMahan	April 29, 2015	NA	RTAB approved Obsolete Property Rehabilitation Act (OPRA) certificate for downtown property on 7/15/15. Motion denied on 6/23/15 for preliminary injunction to force city to purchase water from Detroit. 2 nd lawsuit filed on 7/16/15. KWA pipeline expected to be completed in June 2016.
City of Hamtramck	Deb Roberts, Mark Stema, Karen Young, Cathy Square	December 1, 2015	NA	Undertaking a \$7M sewer infrastructure improvement project which is eligible for State Revolving Fund Monies. Project will reduce storm water inflow into sanitary sewers.
City of Pontiac	Edward Koryzno, Louis Schimmel, Keith Sawdon Robert Burgess	August 19, 2013	NA	Interviews for Deputy Mayor position are being held in August 2015. City lost Supreme Court ruling to demolish Phoenix Center. Treasury working with city to move forward with sale to private operator which frees up \$2M in demolition funds. FY 16 Budget and 2015 tax rates approved by RTAB on 6/26/15.
CONSENT AGREEMENT - MUNICIPLITIES				
Unit of Government	Treasury Representative/Consultant	Date Executed	Term of Consent Agreement	Notes
City of Inkster	Mark Stuhldreher, Interim City Manager and City Treasurer/Finance Director	February 20, 2012	N/A	On 8/3/15, City Council voted to change the employment status of the City Manager to Special Advisor. Mark Stuhldreher appointed interim City Manager. Tentative agreement w/ Wayne County for judgement levy starting w/ December 2015 tax roll. Collaborating with MSHDA and MEDC to seek new housing developments and development of several vacant commercial parcels.
City of River Rouge	N/A (P.A. 72)	December 15, 2009	N/A	FY 16 Budget adopted on 5/19/15. Proposed 5-yr budget shows a deficit in FY 18 to FY 20 unless additional revenues can be found.
Royal Oak Township	Robert Burgess	April 21, 2014	October 31, 2017	On 8/3/15, voters approved a renewal of 4.5 mills for general operations. Order issued on 6/17/15 granting the Consultant broad authority to approve expenditures made by the township to ensure obligations are being paid.

Public Act 436 of 2012 Summary

Wayne County				County selected the consent agreement option on 8/6/15. Currently negotiating. On 6/10/15, county reached settlement with retirees on healthcare to provide stipend in lieu of health insurance.
NEUTRAL EVALUATION - MUNICIPALITIES				
Unit of Government	Financial Review Team Appointed	Financial Emergency Declared	Date Option Selected	Notes
City of Highland Park	December 2, 2013	January 30, 2014	May 1, 2014	Wade Trim began operating and maintaining water and sewer systems on 7/6/15. 2 nd phase of emergency loans tentative for 9/24/15 – \$4.7M to restructure 3 outstanding loans and \$11.5M to refinance outstanding debt. City issued RFP to contract out collection of past due water/sewer bills. On 6/29/15, Council approved substantial increase in water/sewer rates.
OTHER COMMUNITIES				
City of Melvindale * City of Wayne *				
EMERGENCY MANAGER - SCHOOLS				
Unit of Government	Emergency Manager	Appointment Date	Target Exit Date	Notes
Detroit Public Schools	Darnell Earley	January 13, 2015	April 2016	FOP/ 45 Day Plan submitted on 2/27/15. Working on long-term strategy with E&Y/ Parthenon. Meeting with Coalition. Commence search for CFO. Weekly meetings to monitor critical cash, shortfall of approximately \$67M for FY15. ORS delinquencies growing to approximately \$39M (approximately \$12M from this FY).
Highland Park School District	Donald Weatherspoon	April 15, 2015	October 2016	Due to financial and academic restraints, educational services for grades 9-12 will be provided for by DPS starting in Fall 2015. Legacy costs, including but not limited to, retirement pensions, UI, legal services, and utilities have not been fully paid-to-date. Budget deficit decreased slightly for FY 15 and will continue to decrease by about \$800K each year afterward.

Public Act 436 of 2012 Summary

Muskegon Heights School District	Steven Schiller	April 15, 2015	October 2016	Completed transition from Mosaica to ISD on 6/30/14. Continue to struggle with residual financial issues related to exit of Mosaica. Budget deficit declining - negative fund balances reduced \$11.9M in FY 12 to \$1.1M in FY 15.
CONSENT AGREEMENT - SCHOOLS				
Unit of Government	Consultant	Appointment Date	Target Exit Date	Notes
School District of City of Pontiac	Donald Weatherspoon	October 15, 2013	September 2015	Budget deficit continues to decline and negative fund balance has been reduced from \$50.4M in FY 13 to \$35.9M in FY 15. On 8/4/15, voters disapproved a 2.87 millage, 5-yr sinking fund needed for facility repairs and improvements. Alternative options are now being reviewed, A \$10M emergency loan approved by ELB on 7/21/15. Due to \$20M loan cap per municipality, district is no longer eligible for future emergency loans.
Benton Harbor Schools	Cynthia M. LaGrow	November 18, 2014	November 2016	Appointed interim CFO in July 2015, search continues for permanent CFO. Transitioning from Plante Moran to Berrien RESA for essential office admin support. \$1.4M emergency loan approved by ELB on 7/21/25. G. Weatherspoon was appointed acting superintendent in June 2015. Former superintendent placed on administrative leave on 4/30/15 and currently under investigation.
SCHOOLS WATCH LIST				
Due to recent passage of PAs 109 and 111, Treasury is evaluating the list of schools with deficits that meet the new criteria.				

From: Scott, Allison (GOV)
Sent: Monday, November 30, 2015 12:58 PM
To: Wisniewski, Wendy (GOV) (wisniewski@michigan.gov)
Subject: FW: Some COS items
Attachments: COS Items 151130.docx

From: Snyder, Rick (GOV)
Sent: Monday, November 30, 2015 12:46 PM
To: Scott, Allison (GOV) <scotta12@michigan.gov>
Subject: Some COS items

Please include the attached.

Thanks
Rick

COS Items
November 30, 2015

1.

2.

3.

Redacted

4.

5.

6.

7. Flint Water

8.

Redacted

From: Agen, Jarrod (GOV)
Sent: Monday, January 26, 2015 9:48 AM
To: Snyder, Rick (GOV)
Cc: Wurfel, Sara (GOV); Scott, Allison (GOV)
Subject: CNN refresher points

You have the roads & budget points down -- which should be the bulk of the CNN interview.

But a couple of other issues that may come up on CNN: Flint water

Redacted

Also -- quick updated on 2016 activity over the weekend, in case it comes up.

Flint water:

Residents deserve clean, safe water and EM Jerry Ambrose, his management team and the DEQ are working to ensure that...and that the State will be a resource where and when possible, as we have with other issues, such as public safety.

Redacted

2016:

Redacted

From: Muchmore, Dennis (GOV)
Sent: Thursday, April 04, 2013 9:43 AM
To: Snyder, Rick (GOV)
Cc: Scott, Allison (GOV)
Subject: Just a head's up

As you know, the Flint people have requested Dillon's ok to break away from the DWSD. Andy has reviewed the proposed action, had it analyzed by Treasury and Dan Wyant and DEQ, and they all agree that Flint is correct. I have no way of determining whether this is the right action except to depend on the two departments charged with this responsibility, so I recommend that we support their determination and let the chips fall where they may. This will happen early next week, so we need to have you made aware and develop a message of support if that is what you want to do.

We'll need to make sure that Orr knows about this as soon as possible so he can take it into his calculations. It would certainly diminish the DWSD base, and probably spin off a series of political questions for others still involved in the Detroit system. But, I don't see how you can support Detroit to the detriment of the rest of the state. You've done a lot for the city, but you also need to have a strong support for outstate for 2014.

Sorry to bug you on your vacation, but the two emails today couldn't be avoided. I was trying to think of a way to make it up to you, so here goes: GO BLUE! (That was really tough to say...).

Dennis C. Muchmore
Chief of Staff
Governor Rick Snyder, Michigan
517-241-5601

Message

From: Muchmore, Dennis (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=MUCHMORED]
Sent: 4/4/2013 10:07:06 PM
To: Snyder, Rick (GOV) [REDACTED]
[REDACTED]
CC: Scott, Allison (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Scotta12]
Subject: RE: Just a head's up

They have been notified per the plan and have until Andy returns next week to present their counter proposal. The concept is executed. Sorry for the confusion but they haven't followed up with Flint and I thought you should know we were moving to the next step at the end of the ten days. I was indicating that we were expecting to move forward in case you had further reservations and wanted us to delay further.

From: Snyder, Rick (GOV)
Sent: Thursday, April 04, 2013 5:14 PM
To: Muchmore, Dennis (GOV)
Cc: Scott, Allison (GOV)
Subject: Re: Just a head's up

Before I left, I thought all of us agreed that someone would let DWSD know that they were going to lose a key customer and that they would have 10 days to present a serious counter. What happened to this concept?

Thanks

Rick

Sent from my iPad

On Apr 4, 2013, at 9:43 AM, "Muchmore, Dennis (GOV)" <muchmored@michigan.gov> wrote:

As you know, the Flint people have requested Dillon's ok to break away from the DWSD. Andy has reviewed the proposed action, had it analyzed by Treasury and Dan Wyant and DEQ, and they all agree that Flint is correct. I have no way of determining whether this is the right action except to depend on the two departments charged with this responsibility, so I recommend that we support their determination and let the chips fall where they may. This will happen early next week, so we need to have you made aware and develop a message of support if that is what you want to do.

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Sorry to bug you on your vacation, but the two emails today couldn't be avoided. I was trying to think of a way to make it up to you, so here goes: GO BLUE! (That was really tough to say...).

Dennis C. Muchmore

Chief of Staff

Governor Rick Snyder, Michigan

517-241-5601

From: Muchmore, Dennis (GOV)
Sent: Friday, April 19, 2013 8:48 AM
To: Snyder, Rick (GOV); Dillon, Andy (Treasury)
Subject: Fwd: Detroit

Advice from Scorsone re: Flint and water system.

Sent from my iPhone

Begin forwarded message:

From: "Scorsone, Eric" <scorsone@anr.msu.edu>
Date: April 19, 2013, 8:22:38 AM EDT
To: "Muchmore, Dennis (GOV)" <muchmored@michigan.gov>
Cc: "Roberts, John (GOV)" <robertsj9@michigan.gov>, "Rustem, William (GOV)" <rustemw@michigan.gov>
Subject: Re: Detroit

Dennis, Bill and John

For what it is worth, I would look at having flint spilt off the water system into some kind of regional authority and separate the finances from the general city if you are going to move forward with kiragani. The city has a propensity to use the water system as a cash cow and it will help them avoid that problem in the future.

Thanks

Eric

Dr. Eric Scorsone
Michigan State University

On Apr 17, 2013, at 5:44 PM, "Muchmore, Dennis (GOV)" <muchmored@michigan.gov> wrote:

Anytime

-----Original Message-----

From: Scorsone, Eric [<mailto:scorsone@anr.msu.edu>]
Sent: Wednesday, April 17, 2013 4:24 PM
To: Roberts, John (GOV); Muchmore, Dennis (GOV); Rustem, William (GOV)
Subject: Detroit

Good Afternoon,

If you think it makes sense, it might be worthwhile to get together and discuss the Orr situation and how you want me to interact with him. I have been working with Ernst and Young in Detroit for the last month or two on restructuring issues.

Thanks

Eric


scorsone@msu.edu

Regards,

Eric

Dr. Eric Scorsone
Faculty Member and Workgroup Leader
Department of Agricultural, Food and Resource Economics and MSU Extension
Michigan State University
202 Agriculture Hall
East Lansing, MI 48824-1039


scorsone@msu.edu

From: Muchmore, Dennis (GOV)
Sent: Friday, April 26, 2013 8:25 AM
To: Dillon, Andy (Treasury); Stibitz, Brom (Treasury)
Cc: Snyder, Rick (GOV)
Subject: Flint

If Flint is going to go into some kind of regional authority, then we need to firewall the finances of water from the general city budget. How do we keep the city from using the water system as a cash flow tool? We need to help them avoid the problem that they have been guilty of in the past of capturing water monies from customers before remittance to the Authority and using it elsewhere.

I suspect that is the motivation behind their desire to split off from DWSD. If the monies go to legacy debt it will help Flint immeasurably, if general fund then they'll never get on top of the situation. Right now their legacy debt is higher than their wages for current employees and that is obviously unsustainable. I realize I'm not telling you anything you don't already know, just re-emphasizing.

From: Dillon, Andy (Treasury)
Sent: Wednesday, April 17, 2013 8:43 AM
To: Muchmore, Dennis (GOV)
Cc: Stibitz, Brom (Treasury); Roberts, John (GOV)
Subject: Re: KWA and City of Flint. URGENT

Follow Up Flag: Follow up
Flag Status: Flagged

That is the \$64,000 question. DEQ is firm that KWA is better. Are they an honest broker? I have to admit the engineering firm Treasury hired (Tucker Young) didn't make their case. No one on our side (DEQ or Treasury) sided with DWSD. I was the lone hold out but I couldn't argue against the defense Flint put forward against the TY report.

Sent from my iPad

On Apr 17, 2013, at 8:37 AM, "Muchmore, Dennis (GOV)" <muchmored@michigan.gov> wrote:

So, if the last DWSD proposal saves so much money, why are we moving ahead with KWA? I take it that Flint doesn't trust them and is just fed up? Does Kurtz have his head on straight here?

From: Dillon, Andy (Treasury)
Sent: Wednesday, April 17, 2013 8:33 AM
To: Stibitz, Brom (Treasury); Saxton, Thomas (Treasury); Muchmore, Dennis (GOV); Roberts, John (GOV); Headen, Frederick (Treasury); Brader, Valerie (GOV)
Cc: Snyder, Rick (GOV)
Subject: Fwd: KWA and City of Flint. URGENT

Interesting threat here. They will seek to recover sunk costs through rates in last two years. My guess is this will be a wildly huge increase. We cannot ignore the threat. We need legal advice asap. This needs immediate attention.

Fred please work with the AG and Valerie.

Brom, please advise Kurtz.

Sent from my iPad

Begin forwarded message:

From: "Fausone, Jim" <JFausone@fb-firm.com>
Date: April 17, 2013, 8:08:55 AM EDT
To: "Walsh, John J." <jwalsh@fb-firm.com>, "Dillon, Andy (Treasury)" <DillonA2@michigan.gov>, Robert Ficano [REDACTED], "william.misterovich@macombgov.org" <william.misterovich@macombgov.org>, orrk <orrk@detroitmi.gov>, "bkenoyer@ford.com" <bkenoyer@ford.com>, "blackmm@mail.resa.net" <blackmm@mail.resa.net>, "Fausone, Jim" <JFausone@fb-firm.com>,

["fredtheengineer@comcast.net"](mailto:fredtheengineer@comcast.net) <fredtheengineer@comcast.net>,
["jamjomar@msn.com"](mailto:jamjomar@msn.com) <jamjomar@msn.com>,
["jwilliams@dickinsonwright.com"](mailto:jwilliams@dickinsonwright.com) <jwilliams@dickinsonwright.com>,
["ldforte@comerica.com"](mailto:ldforte@comerica.com) <ldforte@comerica.com>, Mary Blackmon
<blackmm@att.net>

Cc: Sue McCormick <mccormick@dwisd.org>, Matthew Schenk
<schenk@dwisd.org>

Subject: FW: KWA and City of Flint

Folks - I am disappointed to report that Flint/Genesee rejected the offer last night by press release to the Flint Journal.

The next step will be to send Flint a termination letter. Flint plans on buying water from DWSD for the next 3 years. Under the old contract, a termination letter is sent and then 12 months later DWSD can set new rates for the water delivered in year 2 and 3. The new rates will recover all sunk costs.

I am convinced the DWSD team acted in good faith and put forth an attractive offer. The local politics trumped reason, economics and engineering. I wish the people of Genesee County good luck and that the project saves them all the money promised by the politicians.

DWSD will move on. [REDACTED]

Jim

From: Fausone, Jim

Sent: Tuesday, April 16, 2013 9:06 AM

To: Walsh, John J.; DillonA2@michigan.gov; Robert Ficano;
william.misterovich@macombgov.org; orrk; Craig Hupp; Jaye Quadrozzi
(Quadrozzi@youngpc.com; cpugh313; Gary Brown; Jack Martin; bkenoyer@ford.com;
blackmm@mail.resa.net; Fausone, Jim; fredtheengineer@comcast.net;
jamjomar@msn.com; jwilliams@dickinsonwright.com; ldforte@comerica.com; Mary
Blackmon

Cc: Sue McCormick; Matthew Schenk

Subject: KWA and City of Flint

Folks - This proposal saves Flint/Genesee essentially 50% TODAY and 20% when compared to KWA over 30 years.

If the decision is about economics or engineering, I don't see how F/G proceeds with KWA. Call the Director or me if you have questions. Jim

James G. Fausone
Fausone Bohn, LLP
(248) 380-1818 tel.
ifausone@fb-firm.com

From: Sue McCormick [<mailto:mccormick@dwisd.org>]

Sent: Monday, April 15, 2013 6:20 PM

To: Fausone, Jim

Cc: William Wolfson; billjohnson

Subject: Fwd: KWA and City of Flint

Gentlemen,

The cliffnotes version:

Proposal offers a today rate of water for Flint/Genesee of \$10.46 as compared to \$20.00 paid currently per Mcf - 48% less that could be realized nearly immediately and even more when compared to the increases coming with KWA. When compared over the 30 year horizon the DWSD proposal saves \$800 million dollars or said differently - saves 20% over the KWA proposal.

Sue

Sue F. McCormick, Director
Detroit Water and Sewerage Department
735 Randolph, Room 506
Detroit, Michigan 48226
Office (313)224-4701
Fax (313)224-6067
McCormic@dwsd.org

From: Dillon, Andy (Treasury)
Sent: Wednesday, April 17, 2013 9:00 AM
To: Headen, Frederick (Treasury)
Cc: Stibitz, Brom (Treasury); Saxton, Thomas (Treasury); Muchmore, Dennis (GOV); Roberts, John (GOV); Brader, Valerie (GOV)
Subject: Re: KWA and City of Flint. URGENT

He chairs the oversight board the federal judge put in place. Point well taken though. We need to understand to what extent KO needs to listen to this board.

Sent from my iPad

On Apr 17, 2013, at 8:54 AM, "Headen, Frederick (Treasury)" <HeadenF@michigan.gov> wrote:

Andy:

I forwarded this information to Frank Monticello, at the Attorney General's Office, and will keep Valerie apprised as to any developments at that end. I do not know what role Mr. Fausone plays in this matter, but his sentiments would seem to be idle threats given that the Emergency Manager now has statutory control over DWSD.

Fred

From: Dillon, Andy (Treasury)
Sent: Wednesday, April 17, 2013 8:33 AM
To: Stibitz, Brom (Treasury); Saxton, Thomas (Treasury); Muchmore, Dennis (GOV); Roberts, John (GOV); Headen, Frederick (Treasury); Brader, Valerie (GOV)
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Date: April 17, 2013, 8:08:55 AM EDT
To: "Walsh, John J." <jwalsh@fb-firm.com>, "Dillon, Andy (Treasury)" <DillonA2@michigan.gov>, Robert Ficano [REDACTED]

"william.misterovich@macombgov.org"
<william.misterovich@macombgov.org>, orrk <orrk@detroitmi.gov>,
"bkenoyer@ford.com" <bkenoyer@ford.com>, "blackmm@mail.resa.net"
<blackmm@mail.resa.net>, "Fausone, Jim" <JFausone@fb-firm.com>,
"fredtheengineer@comcast.net" <fredtheengineer@comcast.net>,
"jamjomar@msn.com" <jamjomar@msn.com>,
"jwilliams@dickinsonwright.com" <jwilliams@dickinsonwright.com>,
"ldforte@comerica.com" <ldforte@comerica.com>, Mary Blackmon
<blackmm@att.net>

Cc: Sue McCormick <mccormick@dwsd.org>, Matthew Schenk
<schenk@dwsd.org>

Subject: FW: KWA and City of Flint

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The next step will be to send Flint a termination letter. Flint plans on buying water from DWSD for the next 3 years. Under the old contract, a termination letter is sent and then 12 months later DWSD can set new rates for the water delivered in year 2 and 3. The new rates will recover all sunk costs.

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DWSD will move on. [REDACTED]

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From: Fausone, Jim

Sent: Tuesday, April 16, 2013 9:06 AM

To: Walsh, John J.; DillonA2@michigan.gov; Robert Ficano;
william.misterovich@macombgov.org; orrk; Craig Hupp; Jaye Quadrozzi
(Quadrozzi@youngpc.com; cpugh313; Gary Brown; Jack Martin; bkenoyer@ford.com;
blackmm@mail.resa.net; Fausone, Jim; fredtheengineer@comcast.net;
jamjomar@msn.com; jwilliams@dickinsonwright.com; ldforte@comerica.com; Mary
Blackmon

Cc: Sue McCormick; Matthew Schenk

Subject: KWA and City of Flint

Folks - This proposal saves Flint/Genesee essentially 50% TODAY and 20% when compared to KWA over 30 years.

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James G. Fausone
Fausone Bohn, LLP
(248) 380-1818 tel.
jfausone@fb-firm.com

From: Sue McCormick [<mailto:mccormick@dwsd.org>]
Sent: Monday, April 15, 2013 6:20 PM
To: Fausone, Jim
Cc: William Wolfson; billjohnson
Subject: Fwd: KWA and City of Flint

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Sue F. McCormick, Director
Detroit Water and Sewerage Department
735 Randolph, Room 506
Detroit, Michigan 48226
Office (313)224-4701
Fax (313)224-6067
McCormic@dwsd.org

From: Scott, Allison (GOV)
Sent: Monday, January 26, 2015 8:56 AM
To: Snyder, Rick (GOV)
Cc: Muchmore, Dennis (GOV); Clement, Elizabeth (GOV)
Subject: 2015 priorities
Attachments: 2015 Priorities draft v1 1 150124.docx

I added POC based on what I thought – everyone should feel free to add/edit.

Top Priorities

1.
2.
3.

Redacted

4.

Messages/Summits

5.
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7.
8.
9.
10.
11.
12.

Redacted

Legislative Priorities

13.
14.
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19.

Redacted

Executive Branch Priorities

20.
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26.
27.
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Redacted

Local Priorities

31.
32.
33.
34.
35.
36.
37.

Redacted

38. Flint water system (?)

39. GLRWA

40.

Redacted

41.

Federal Priorities

42.

Redacted

43.

44.

Trips

45.

Redacted

46.

47.

48.

From: Muchmore, Dennis (GOV)
Sent: Friday, October 02, 2015 3:05 PM
To: Etue, Kriste (MSP)
Subject: RE: A Lil Good News

In the Flint meeting, you and Capt. Sands talked about how we need the local emergency coordinator to ask the MSP for help? We're ready to do that. How do you want that done? A letter from Flint, a call to Kalenske, etc.?

From: Etue, Kriste (MSP)
Sent: Friday, October 2, 2015 12:56 PM
To: Muchmore, Dennis (GOV) <muchmored@michigan.gov>
Subject: RE: A Lil Good News


Thanks!

I can tell you that these events have been one of the most positive tasks I've done. Truly transformational for my Troopers!

From: Muchmore, Dennis (GOV)
Sent: Friday, October 02, 2015 10:19 AM
To: Etue, Kriste (MSP)
Subject: Fwd: A Lil Good News

Just more proof that the Etue leadership on community affairs is really accomplishing a lot of good.

Begin forwarded message:

From: "Hollins, Harvey (GOV)" <hollinsh@michigan.gov>
Date: October 1, 2015 at 7:39:22 PM EDT
To: "Snyder, Rick (GOV)" <>
Cc: "Muchmore, Dennis (GOV)" <muchmored@michigan.gov>, "Agen, Jarrod (GOV)" <AgenJ@michigan.gov>, "Clement, Elizabeth (GOV)" <clemente@michigan.gov>, "Wurfel, Sara (GOV)" <Wurfels@michigan.gov>
Subject: A Lil Good News

A little good news given all the stuff in Flint.

The Benton Harbor Public Safety forum had slightly under 100 participants; another successful event.





The linked image cannot be displayed. The file may have been moved, renamed, or deleted. Verify that the link points to the correct file and location.

From: Etue, Kriste (MSP)
Sent: Friday, October 02, 2015 3:11 PM
To: Muchmore, Dennis (GOV)
Cc: Kelenske, Chris (MSP)
Subject: Re: A Lil Good News

Dennis:

Capt. Kelenske has been in contact with the local EM.

He is watching closely everything they are doing.

I will reach out to him to get a status.

Sent from my iPhone

On Oct 2, 2015, at 3:05 PM, Muchmore, Dennis (GOV) <muchmored@michigan.gov> wrote:

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Subject: Fwd: A Lil Good News

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From: "Hollins, Harvey (GOV)" <hollinsh@michigan.gov>
Date: October 1, 2015 at 7:39:22 PM EDT

To: "Snyder, Rick (GOV)" [REDACTED]
Cc: "Muchmore, Dennis (GOV)" <muchmored@michigan.gov>, "Agen, Jarrod (GOV)" <AgenJ@michigan.gov>, "Clement, Elizabeth (GOV)" <clemente@michigan.gov>, "Wurfel, Sara (GOV)" <Wurfels@michigan.gov>
Subject: A Lil Good News

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From: Muchmore, Dennis (GOV)
Sent: Friday, October 02, 2015 3:14 PM
To: Etue, Kriste (MSP)
Cc: Hollins, Harvey (GOV)
Subject: RE: A Lil Good News

Terrific.

From: Etue, Kriste (MSP)
Sent: Friday, October 2, 2015 3:11 PM
To: Muchmore, Dennis (GOV) <muchmored@michigan.gov>
Cc: Kelenske, Chris (MSP) <KelenskeC@michigan.gov>
Subject: Re: A Lil Good News

Dennis:

Capt. Kelenske has been in contact with the local EM.

He is watching closely everything they are doing.

I will reach out to him to get a status.

Sent from my iPhone

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Subject: Fwd: A Lil Good News

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To: "Snyder, Rick (GOV)" [REDACTED]
Cc: "Muchmore, Dennis (GOV)" <muchmored@michigan.gov>, "Agen, Jarrod (GOV)" <AgenJ@michigan.gov>, "Clement, Elizabeth (GOV)" <clemente@michigan.gov>, "Wurfel, Sara (GOV)" <Wurfels@michigan.gov>
Subject: A Lil Good News

A little good news given all the stuff in Flint.

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Message

From: Wisniewski, Wendy (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=SIEGELW]
Sent: 11/19/2015 4:09:08 PM
To: Agen, Jarrod (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Agen Jarrod9ea]; Baird, Richard (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bairdr]; Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bedan Morgan683]; Calley, Brian (GOV) [REDACTED]; Clayton, Stacie (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Claytons3]; Clement, Elizabeth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Clemente]; Emmitt, Beth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Emmittb]; Forstner, Nathaniel (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Forstnern1]; Snyder, Rick (GOV) [REDACTED]; Hall, Jean (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Hallj16]; Hollins, Harvey (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Hollinsh]; McBride, Bill (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Mcbrideb]; Minix, Connie (DTMB) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=4381dca892a148b392bff726ca14504c]; Muchmore, Dennis (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Muchmored]; Posthumus, Dick (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Posthumusd]; Quebbeman, Marsha (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Quebbemanm]; Redford, James (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Redford James021]; Roberts, John (DTMB) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Roberts John14b]; Rospond, Laurie (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Rospondl]; Saunders, Kelli (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Saundersk1]; Scott, Allison (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Scotta12]; Thomet, Ruth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Thomet Ruth534]; Walsh, John (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Walsh John91e]; Wisniewski, Wendy (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Siegelw]; Wurfel, Sara (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Wurfels]
Subject: Senior Staff
Attachments: Agenda Senior Staff Meeting (2).docx

Attached is the agenda for Monday's meeting.

Wendy Wisniewski

Executive Assistant to Dennis Muchmore

and Beth Clement

Executive Office of Governor Rick Snyder

George W. Romney Building, 2nd Floor

111 South Capitol Avenue

P.O. Box 30013

Lansing, MI 48909

(517) 241-5601

WisniewskiW@michigan.gov

AGENDA
SENIOR STAFF MEETING

Monday, November 23, 2015

Call-in Information:

Phone number
Access Code –
Host Code - *6

Redacted

1)

2)

3)

Redacted

4) Flint (Hollins/Baird)

5)

Redacted

Message

From: Wisniewski, Wendy (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=SIEGELW]
Sent: 12/11/2015 3:19:45 PM
To: Agen, Jarrod (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Agen Jarrod9ea]; Baird, Richard (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bairdr]; Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bedan Morgan683]; Calley, Brian (GOV) [REDACTED]; Clayton, Stacie (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Claytons3]; Clement, Elizabeth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Clemente]; Emmitt, Beth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Emmittb]; Forstner, Nathaniel (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Forstnern1]; Snyder, Rick (GOV) [REDACTED]; Hall, Jean (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Hallj16]; Holland, Meegan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Holland Meegane0d]; Hollins, Harvey (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Hollinsh]; Manolakoudis, Virginia (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Manolakoudis Virginia664]; McBride, Bill (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Mcbrideb]; Minix, Connie (DTMB) [/O=MIGOV/OU=EXTERNAL (FYDIBOHF25SPDLT)/cn=Recipients/cn=4381dca892a148b392bff726ca14504c]; Muchmore, Dennis (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Muchmored]; Murray, David (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=MurrayD1]; Posthumus, Dick (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Posthumusd]; Quebbeman, Marsha (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Quebbemanm]; Redford, James (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Redford James021]; Roberts, John (DTMB) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Roberts John14b]; Rospond, Laurie (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Rospondl]; Saunders, Kelli (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Saundersk1]; Scott, Allison (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Scotta12]; Thomet, Ruth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Thomet Ruth534]; Walsh, John (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Walsh John91e]; Wisniewski, Wendy (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Siegelw]
Subject: Senior Staff
Attachments: Agenda Senior Staff Meeting (2).docx

Attached is the agenda for Monday.

Wendy Wisniewski

Executive Assistant to Dennis Muchmore

Jarrold Agen and Beth Clement

Executive Office of Governor Rick Snyder

George W. Romney Building, 2nd Floor

111 South Capitol Avenue

P.O. Box 30013

Lansing, MI 48909

(517) 241-5601

WisniewskiW@michigan.gov

AGENDA
SENIOR STAFF MEETING

Monday, December 14, 2015

Call-in Information:

Phone number
Access Code
Host Code - *

Redacted

1)

2)

3)

4)

Redacted

5) Flint (Hollins)

6)

Redacted

Message

From: Wisniewski, Wendy (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=SIEGELW]
Sent: 12/18/2015 11:16:35 AM
To: Agen, Jarrod (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Agen Jarrod9ea]; Baird, Richard (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bairdr]; Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bedan Morgan683]; Calley, Brian (GOV) [REDACTED]; Clayton, Stacie (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Claytons3]; Clement, Elizabeth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Clemente]; Emmitt, Beth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Emmittb]; Forstner, Nathaniel (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Forstnern1]; Snyder, Rick (GOV) [REDACTED]; Hall, Jean (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Hallj16]; Holland, Meegan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Holland Meegane0d]; Hollins, Harvey (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Hollinsh]; Manolakoudis, Virginia (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Manolakoudis Virginia664]; McBride, Bill (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Mcbrideb]; Minix, Connie (DTMB) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=4381dca892a148b392bff726ca14504c]; Muchmore, Dennis (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Muchmored]; Murray, David (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=MurrayD1]; Posthumus, Dick (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Posthumusd]; Quebbeman, Marsha (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Quebbemanm]; Redford, James (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Redford James021]; Roberts, John (DTMB) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Roberts John14b]; Rospond, Laurie (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Rospondl]; Saunders, Kelli (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Saundersk1]; Scott, Allison (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Scotta12]; Thomet, Ruth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Thomet Ruth534]; Walsh, John (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Walsh John91e]; Wisniewski, Wendy (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Siegelw]
Subject: Senior Staff
Attachments: Agenda Senior Staff Meeting (2).docx

Attached is the agenda for Monday's meeting.

Wendy Wisniewski

Executive Assistant to Dennis Muchmore

Jarrold Agen and Beth Clement

Executive Office of Governor Rick Snyder

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111 South Capitol Avenue

P.O. Box 30013

Lansing, MI 48909

(517) 241-5601

WisniewskiW@michigan.gov

AGENDA
SENIOR STAFF MEETING

Monday, December 21, 2015

Call-in Information:

Phone number
Access Code
Host Code - *6

Redacted

1)

2)

3)

Redacted

4) Flint (Hollins)

5)

Redacted

Message

From: Wisniewski, Wendy (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=SIEGELW]
Sent: 12/29/2015 4:12:03 PM
To: Agen, Jarrod (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Agen Jarrod9ea]; Baird, Richard (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bairdr]; Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bedan Morgan683]; Calley, Brian (GOV) [REDACTED]; Clayton, Stacie (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Claytons3]; Clement, Elizabeth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Clemente]; Emmitt, Beth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Emmittb]; Forstner, Nathaniel (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Forstnern1]; Snyder, Rick (GOV) [REDACTED]; Hall, Jean (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Hallj16]; Holland, Meegan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Holland Meegane0d]; Hollins, Harvey (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Hollinsh]; Manolakoudis, Virginia (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Manolakoudis Virginia664]; McBride, Bill (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Mcbrideb]; Minix, Connie (DTMB) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=4381dca892a148b392bff726ca14504c]; Muchmore, Dennis (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Muchmored]; Murray, David (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=MurrayD1]; Posthumus, Dick (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Posthumusd]; Quebbeman, Marsha (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Quebbemanm]; Redford, James (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Redford James021]; Roberts, John (DTMB) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Roberts John14b]; Rospond, Laurie (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Rospondl]; Saunders, Kelli (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Saundersk1]; Scott, Allison (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Scotta12]; Thomet, Ruth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Thomet Ruth534]; Walsh, John (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Walsh John91e]; Wisniewski, Wendy (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Siegelw]
Subject: Senior Staff
Attachments: Agenda Senior Staff Meeting (2).docx

Attached is the agenda for Monday's meeting.

Wendy Wisniewski

Executive Assistant to Dennis Muchmore

Jarrold Agen and Beth Clement

Executive Office of Governor Rick Snyder

George W. Romney Building, 2nd Floor

111 South Capitol Avenue

P.O. Box 30013

Lansing, MI 48909

(517) 241-5601

WisniewskiW@michigan.gov

AGENDA
SENIOR STAFF MEETING

Monday, January 4, 2016

Call-in Information:

Phone number
Access Code
Host Code - *

Redacted

1) **Redacted**

2) Flint (Baird)

3) **Redacted**

4)

Message

From: Wisniewski, Wendy (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=SIEGELW]
Sent: 10/8/2015 4:13:41 PM
To: Agen, Jarrod (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Agen Jarrod9ea]; Baird, Richard (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bairdr]; Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bedan Morgan683]; Calley, Brian (GOV) [REDACTED]; Clayton, Stacie (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Claytons3]; Clement, Elizabeth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Clemente]; Emmitt, Beth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Emmittb]; Finney, Michael (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Michael Finney715]; Forstner, Nathaniel (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Forstnern1]; Snyder, Rick (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP [REDACTED] Hall, Jean (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Hallj16]; Hollins, Harvey (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Hollinsh]; McBride, Bill (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Mcbrideb]; Minix, Connie (DTMB) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/cn=Recipients/cn=4381dca892a148b392bff726ca14504c]; Muchmore, Dennis (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Muchmored]; Posthumus, Dick (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Posthumusd]; Quebbeman, Marsha (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Quebbemanm]; Redford, James (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Redford James021]; Roberts, John (DTMB) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Roberts John14b]; Rospond, Laurie (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Rospondl]; Saunders, Kelli (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Saundersk1]; Scott, Allison (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Scotta12]; Thomet, Ruth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Thomet Ruth534]; Walsh, John (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Walsh John91e]; Wisniewski, Wendy (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Siegelw]; Wurfel, Sara (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Wurfels]
Subject: Senior Staff
Attachments: Agenda Senior Staff Meeting (2).docx

Attached is the agenda for Monday's meeting

Wendy Wisniewski

Executive Assistant to Dennis Muchmore

and Beth Clement

Executive Office of Governor Rick Snyder

George W. Romney Building, 2nd Floor

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WisniewskiW@michigan.gov

AGENDA
SENIOR STAFF MEETING

Monday, October 12, 2015

Call-in Information:

Phone number
Access Code
Host Code - *

Redacted

- **Redacted**

- Flint (Agen)

-
- **Redacted**
-

Message

From: Wisniewski, Wendy (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=SIEGELW]
Sent: 10/23/2015 8:03:00 AM
To: Agen, Jarrod (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Agen Jarrod9ea]; Baird, Richard (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bairdr]; Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bedan Morgan683]; Calley, Brian (GOV) [REDACTED]; Clayton, Stacie (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Claytons3]; Clement, Elizabeth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Clemente]; Emmitt, Beth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Emmittb]; Finney, Michael (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Michael Finney715]; Forstner, Nathaniel (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Forstnern1]; Snyder, Rick (GOV) [REDACTED]; Hall, Jean (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Hallj16]; Hollins, Harvey (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Hollinsh]; McBride, Bill (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Mcbrideb]; Minix, Connie (DTMB) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/cn=Recipients/cn=4381dca892a148b392bff726ca14504c]; Muchmore, Dennis (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Muchmored]; Posthumus, Dick (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Posthumusd]; Quebbeman, Marsha (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Quebbemanm]; Redford, James (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Redford James021]; Roberts, John (DTMB) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Roberts John14b]; Rospond, Laurie (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Rospondl]; Saunders, Kelli (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Saundersk1]; Scott, Allison (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Scotta12]; Thomet, Ruth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Thomet Ruth534]; Walsh, John (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Walsh John91e]; Wisniewski, Wendy (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Siegelw]; Wurfel, Sara (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Wurfels]
Subject: Senior Staff
Attachments: Agenda Senior Staff Meeting (2).docx

Attached is the agenda for Monday's meeting.

Wendy Wisniewski

Executive Assistant to Dennis Muchmore

and Beth Clement

Executive Office of Governor Rick Snyder

George W. Romney Building, 2nd Floor

111 South Capitol Avenue

P.O. Box 30013

Lansing, MI 48909

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WisniewskiW@michigan.gov

AGENDA
SENIOR STAFF MEETING

Monday, October 26, 2015

Call-in Information:

Phone number

Access Code

Host Code - *

Redacted

-

-

- **Redacted**

-

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- Flint After Action (Baird/Hollins)

-

Redacted

Message

From: Wisniewski, Wendy (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=SIEGELW]
Sent: 10/29/2015 2:00:18 PM
To: Agen, Jarrod (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Agen Jarrod9ea]; Baird, Richard (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bairdr]; Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bedan Morgan683]; Calley, Brian (GOV) [REDACTED]; Clayton, Stacie (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Claytons3]; Clement, Elizabeth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Clemente]; Emmitt, Beth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Emmittb]; Forstner, Nathaniel (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Forstnern1]; Snyder, Rick (GOV) [REDACTED]; Hall, Jean (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Hallj16]; Hollins, Harvey (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Hollinsh]; McBride, Bill (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Mcbrideb]; Minix, Connie (DTMB) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=4381dca892a148b392bff726ca14504c]; Muchmore, Dennis (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Muchmored]; Posthumus, Dick (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Posthumusd]; Quebbeman, Marsha (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Quebbemanm]; Redford, James (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Redford James021]; Roberts, John (DTMB) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Roberts John14b]; Rospond, Laurie (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Rospondl]; Saunders, Kelli (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Saundersk1]; Scott, Allison (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Scotta12]; Thomet, Ruth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Thomet Ruth534]; Walsh, John (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Walsh John91e]; Wisniewski, Wendy (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Siegelw]; Wurfel, Sara (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Wurfels]
Subject: Senior Staff
Attachments: Agenda Senior Staff Meeting (2).docx

Attached is the agenda for Monday's meeting.

Wendy Wisniewski

Executive Assistant to Dennis Muchmore

and Beth Clement

Executive Office of Governor Rick Snyder

George W. Romney Building, 2nd Floor

111 South Capitol Avenue

P.O. Box 30013

Lansing, MI 48909

(517) 241-5601

WisniewskiW@michigan.gov

AGENDA
SENIOR STAFF MEETING

Monday, November 2, 2015

Call-in Information:

Phone number

Access Code

Host Code - *

Redacted

1)

2)

3)

4)

Redacted

5) Flint After Action (Baird/Hollins)

6)

7)

Redacted

Message

From: Saunders, Kelli (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=SAUNDERSK1]
Sent: 12/11/2015 8:44:11 PM
To: Tolfree, Nickolas (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Tolfree Nickolase85]
Subject: Fwd: Senior Staff
Attachments: Agenda Senior Staff Meeting (2).docx; ATT00001.htm

For the Senior Staff meeting on Monday.

Kelli

Sent from my iPhone

Begin forwarded message:

From: "Wisniewski, Wendy (GOV)" <wisniewski@michigan.gov>
Date: December 11, 2015 at 3:19:45 PM EST
To: "Agen, Jarrod (GOV)" <AgenJ@michigan.gov>, "Baird, Richard (GOV)" <bairdr@michigan.gov>, "Bedan, Morgan (GOV)" <BedanM@michigan.gov>, "Calley, Brian (GOV)" <[REDACTED]>, "Clayton, Stacie (GOV)" <claytons3@michigan.gov>, "Clement, Elizabeth (GOV)" <clemente@michigan.gov>, "Emmitt, Beth (GOV)" <emmittb@michigan.gov>, "Forstner, Nathaniel (GOV)" <forstnern1@michigan.gov>, "Snyder, Rick (GOV)" <[REDACTED]>, "Hall, Jean (GOV)" <hallj16@michigan.gov>, "Holland, Meegan (GOV)" <HollandM2@michigan.gov>, "Hollins, Harvey (GOV)" <hollinsh@michigan.gov>, "Manolakoudis, Virginia (GOV)" <ManolakoudisV@michigan.gov>, "Mcbride, Bill (GOV)" <mcbrideb@michigan.gov>, "Minix, Connie (DTMB)" <minixc@michigan.gov>, "Muchmore, Dennis (GOV)" <muchmored@michigan.gov>, "Murray, David (GOV)" <MurrayD1@michigan.gov>, "Posthumus, Dick (GOV)" <Posthumusd@michigan.gov>, "Quebbeman, Marsha (GOV)" <quebbemanm@michigan.gov>, "Redford, James (GOV)" <RedfordJ@michigan.gov>, "Roberts, John (DTMB)" <RobertsJ9@michigan.gov>, "Rospond, Laurie (GOV)" <rospondl@michigan.gov>, "Saunders, Kelli (GOV)" <saundersk1@michigan.gov>, "Scott, Allison (GOV)" <scotta12@michigan.gov>, "Thomet, Ruth (GOV)" <ThometR@michigan.gov>, "Walsh, John (GOV)" <WalshJ@michigan.gov>, "Wisniewski, Wendy (GOV)" <wisniewski@michigan.gov>
Subject: Senior Staff
Attached is the agenda for Monday.

Wendy Wisniewski

Executive Assistant to Dennis Muchmore
Jarrod Agen and Beth Clement
Executive Office of Governor Rick Snyder
George W. Romney Building, 2nd Floor
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WisniewskiW@michigan.gov

AGENDA
SENIOR STAFF MEETING

Monday, December 14, 2015

Call-in Information:

Phone number
Access Code
Host Code - *

Redacted

1)

2)

3)

4)

Redacted

5) Flint (Hollins)

6)

Redacted

Message

From: Saunders, Kelli (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=SAUNDERSK1]
Sent: 12/18/2015 12:21:33 PM
To: Tolfree, Nickolas (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Tolfree Nickolase85]
Subject: Fwd: Senior Staff
Attachments: Agenda Senior Staff Meeting (2).docx; ATT00001.htm

For Monday's senior staff meeting.

Kelli

Sent from my iPhone

Begin forwarded message:

From: "Wisniewski, Wendy (GOV)" <wisniewski@michigan.gov>

Date: December 18, 2015 at 11:16:35 AM EST

To: "Agen, Jarrod (GOV)" <AgenJ@michigan.gov>, "Baird, Richard (GOV)" <bairdr@michigan.gov>, "Bedan, Morgan (GOV)" <BedanM@michigan.gov>, "Calley, Brian (GOV)" <[REDACTED]>, "Clayton, Stacie (GOV)" <claytons3@michigan.gov>, "Clement, Elizabeth (GOV)" <clemente@michigan.gov>, "Emmitt, Beth (GOV)" <emmittb@michigan.gov>, "Forstner, Nathaniel (GOV)" <forstnern1@michigan.gov>, "Snyder, Rick (GOV)" <[REDACTED]>, "Hall, Jean (GOV)" <hallj16@michigan.gov>, "Holland, Meegan (GOV)" <HollandM2@michigan.gov>, "Hollins, Harvey (GOV)" <hollinsh@michigan.gov>, "Manolakoudis, Virginia (GOV)" <ManolakoudisV@michigan.gov>, "Mcbride, Bill (GOV)" <mcbrideb@michigan.gov>, "Minix, Connie (DTMB)" <minixc@michigan.gov>, "Muchmore, Dennis (GOV)" <muchmored@michigan.gov>, "Murray, David (GOV)" <MurrayD1@michigan.gov>, "Posthumus, Dick (GOV)" <Posthumusd@michigan.gov>, "Quebbeman, Marsha (GOV)" <quebbemanm@michigan.gov>, "Redford, James (GOV)" <RedfordJ@michigan.gov>, "Roberts, John (DTMB)" <RobertsJ9@michigan.gov>, "Rospond, Laurie (GOV)" <rospondl@michigan.gov>, "Saunders, Kelli (GOV)" <saundersk1@michigan.gov>, "Scott, Allison (GOV)" <scotta12@michigan.gov>, "Thomet, Ruth (GOV)" <ThometR@michigan.gov>, "Walsh, John (GOV)" <WalshJ@michigan.gov>, "Wisniewski, Wendy (GOV)" <wisniewski@michigan.gov>

Subject: Senior Staff

Attached is the agenda for Monday's meeting.

Wendy Wisniewski

Executive Assistant to Dennis Muchmore
Jarrod Agen and Beth Clement
Executive Office of Governor Rick Snyder
George W. Romney Building, 2nd Floor
111 South Capitol Avenue
P.O. Box 30013
Lansing, MI 48909
(517) 241-5601
WisniewskiW@michigan.gov

AGENDA
SENIOR STAFF MEETING

Monday, December 21, 2015

Call-in Information:

Phone number
Access Code
Host Code -

Redacted

1)

2)

3)

Redacted

4) Flint (Hollins)

5)

Redacted

Message

From: Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=BEDAN MORGAN683]
Sent: 4/24/2015 10:04:40 PM
To: [REDACTED]
CC: Scott, Allison (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Scotta12]; Muchmore, Dennis (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Muchmored]; Clement, Elizabeth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Clemente]; Emmitt, Beth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Emmittb]; Utley, Corey (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Utleyc]; Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bedan Morgan683]; Dickinson, Sarah (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Dickinson Sarah4ab]
Subject: April 24 Weekend Briefing
Attachments: Key Labor Market and Economic Metrics Report April 2015.pdf; 150424 Weekend Briefing.pdf

Governor,

Attached is your April 24 Weekend Briefing. The briefing contains:

- [REDACTED]

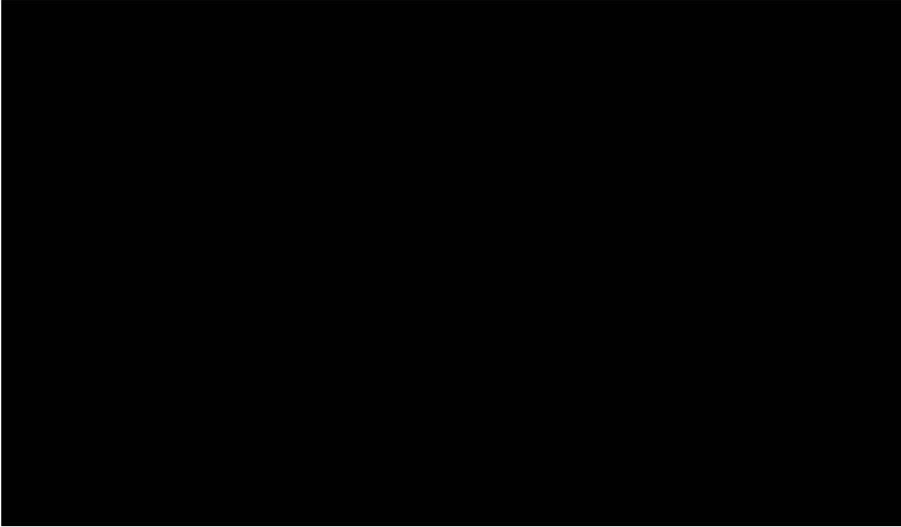
- [REDACTED]

- [REDACTED]

- [REDACTED]

○ Flint Exit Letter

○ EM's Final Order



Please let us know if you have any questions.

Thank you,

Morgan

Attachment Redacted as Irrelevant

Attachment Redacted as Irrelevant

Governor Rick Snyder
April 24, 2015
Weekend Briefing

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For Review	
Flint EM Transition 1. Treasury Memo – Page 53 2. Flint RTAB Announcement – Page 54 3. Flint Exit Letter – Page 56 4. EM’s Final Order – Page 60	53 – 73

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April 29, 2015

Honorable Rick Snyder
Governor of Michigan
111 South Capitol Avenue
Lansing, MI 48909

Dear Governor Snyder:

Addressing the Financial Emergency:

As a result, much progress has been made:

- The deficits in the General Fund and Water Fund have been addressed. The Water Fund is now solvent, although not at the level indicated as adequate; and the remaining \$7 million General Fund deficit will be eliminated by June 30, 2015, with a loan authorized by the Emergency Loan Board. City wide cash flow is now more than \$67 million.

- The structure of the City organization has been changed significantly. A new City Administrator has been hired, selected on the basis of professional expertise, and with expanded control over daily activities of the City. The workforce has been reduced by more than 20%, and City operations have been reorganized into four program areas. Waste collection and demolition is no longer being done internally, 911 operations will be transferred to the County effective July 1, 2015, and the City-funded 68th District Court is expected to become part of the County- funded 67th District Court in January, 2016. The purchase of water is now planned to come from the Karegondi Water Authority instead of the Detroit Water and Sewerage Department. Collective bargaining contracts have also been revised, increasing flexibility for management and setting the stage for permanent reductions in legacy costs. Partnerships have been established to improve the level of parks maintenance. Senior Centers are now run by independent non-profit organizations, with reduced assistance from the City; and the City golf courses have been leased to private operators.

I have greatly appreciated the opportunity to have been of service to the City of Flint and to the State of Michigan.

Sincerely,

Gerald Ambrose
Emergency Manager
City of Flint

Cc: Nick A. Khouri, State Treasurer



**EMERGENCY MANAGER
CITY OF FLINT
GENESEE COUNTY, MICHIGAN**

ORDER NO. 20

**MEASURES TO RECTIFY FINANCIAL EMERGENCY AND
ALLOCATION OF RESPONSIBILITIES IN THE EVENT OF THE
APPOINTMENT OF A RECEIVERSHIP TRANSITION ADVISORY
BOARD**

BY THE POWER AND AUTHORITY VESTED IN THE EMERGENCY MANAGER
("EMERGENCY MANAGER") FOR THE CITY OF FLINT, MICHIGAN ("CITY")
PURSUANT TO MICHIGAN'S PUBLIC ACT 436 OF 2012, LOCAL FINANCIAL
STABILITY AND CHOICE ACT, ("PA 436"); GERALD AMBROSE, THE EMERGENCY
MANAGER, ISSUES THE FOLLOWING ORDER:

Redacted Pages 61-68

7)

8)

9) Take all steps necessary to successfully establish, develop, and complete the Karegnondi Water Authority (KWA) project.

10)

11)

6. This Order amends all previous Emergency Manager Orders to the extent that they are inconsistent.

7. This Order shall have immediate effect.

Date: _____

By: _____
Gerald Ambrose
Emergency Manager
City of Flint

Redacted Pages 71-91

Message

From: Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=BEDAN MORGAN683]
Sent: 10/27/2015 8:10:24 PM
To: Snyder, Rick (GOV) [REDACTED]
CC: Scott, Allison (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Scotta12]; Muchmore, Dennis (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Muchmored]; Clement, Elizabeth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Clemente]; Agen, Jarrod (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Agen Jarrod9ea]; Emmitt, Beth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Emmittb]; Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bedan Morgan683]; Dickinson, Sarah (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Dickinson Sarah4ab]; Utley, Corey (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=UtleyC]
Subject: October 28 Daily Briefing
Attachments: [REDACTED] 151028 Daily Briefing.pdf

Governor,

Attached is your Daily Briefing for October 28. The briefing contains:

- **Redacted**

Events
- **Redacted**

Meetings
- **Redacted**

For Review

- Flint Water – Pages 39 – 42
 - Updated Action Plan
 - Updated Action Steps

Redacted

Please let us know if you have any questions.

Thank you,

Morgan

Attachment Redacted as Irrelevant

Daily Briefing

Contents	Pages
For Review	
<p style="text-align: center;">Flint Water</p> <p>1. Updated Action Steps – Page 39</p> <p>2. Updated Action Plan – Page</p>	39 – 42

Redacted pages 2-38

City of Flint Water Action Steps for Week of October 26-30

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
1.	Conduct After Action Plan	DEQ	George Krisztian	Initial meeting held 10/22/15
2.	Introduce legislative changes to Part 54 of NREPA – Drinking Water Revolving Loan Fund	DEQ, Treasury, and EPA	Maggie Pallone George Krisztian Sonya Butler	Draft language submitted to Maggie Pallone for review
3.	After Action Review Panel	DEQ	Madhu Anderson George Krisztian Karen Tommasulo	Panel created and press release issued on 10/21/15
4.	Staff hiring plan	DEQ	Jim Sygo Maggie Pallone George Krisztian	
5.	Finalize fiscal year 2017 budget request	DEQ	Maggie Pallone George Krisztian	
6.	Meeting(s) with school staff/management	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	A meeting with the 10 remaining schools is tentatively scheduled for the week of 10/26/15
7.	Meet with DHHS and discuss all lead education material for schools	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	Meeting scheduled for 10/27/15
8.	Review corrosion control treatment plan and get any EPA comments	DEQ and EPA	Jim Sygo Steve Busch Pat Cook Mike Prysby	Summary of Flint's corrosion control plan submitted to EPA

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
9.	Review construction permit application and issue construction permit for phosphate equipment	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	Remaining items due are anticipated to be provided on 10/27/15
10.	Review Standby Operation of Flint Water Treatment Plant with city of Flint	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	Comments by DEQ to city of Flint have been provided
11.	Work with Karegnondi Water Authority (KWA) and other agencies to address bottleneck issues; check weekly for status update	DEQ and KWA	Jim Sygo Steve Busch Pat Cook Mike Prysby	Issues regarding soil erosion controls during construction are being addressed
12.	Contact city of Flint for Service Line Record status update and obtain a copy of the records to date	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	Nearly 11,000 records received and waiting for review by DEQ staff
13.	Provide DHHS with any available cross-reference information	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	
14.	Develop childcare facility guidance or review DHHS related materials	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	DEQ has contacted DHHS to schedule a meeting
15.	Create a generic school sampling guidance document for statewide distribution; target audience: schools served by municipal water	DEQ and DLARA	Jim Sygo Steve Busch Richard Benzie	

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
16.	Confirm plumbing assessment and sampling is scheduled for Brownell K-2 STEM Academy and Eisenhower Elementary School	DEQ and DLARA	Jim Sygo Steve Busch Mike Prysby	Tentatively scheduled for 10/30/15

Flint Drinking Water Action Plan Update

FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGE

- A meeting has been confirmed for October 27 with DHHS to discuss all lead education material for schools.
- DEQ staff discussed with the city of Flint's consultant, Lockwood, Andrews & Newnam, Inc., the remaining items that are needed for issuance of Michigan's Safe Drinking Water Act (Act 399) construction permit. Staff anticipates receiving these items on October 27.
- DEQ staff obtained approximately 10,895 records from the city of Flint's GIS system regarding service line index cards and extracted them into a table format for additional data review. Data review has been initiated by DEQ's Lansing District Office staff.
- DLARA and DEQ staff tentatively plans to conduct plumbing assessments at Brownell K-2 STEM Academy and Eisenhower Elementary School on October 30. DLARA staff will contact the Flint Community Schools' facility administrator to confirm the date and approximate times.

Additional Actions:

- All of the 124 samples that were taken at Freeman Elementary School on Saturday, October 24, were analyzed by the DEQ Laboratory on Monday, October 26. The data is being compiled into a spreadsheet to allow an evaluation of the various sampling points. Initial indications are that there will need to be some replacement of plumbing fixtures, but issues do not seem to exist deeper into the plumbing infrastructure. Further sequential testing will be conducted at select points to verify that water is being drawn from the main.
- DEQ staff met to discuss lessons learned from the sampling event at Freeman Elementary School. A number of observations were made with respect to how to streamline the process. The group agreed to incorporate several of the observations into the sampling protocol. The protocol is being updated to reflect these changes.

Prepared by: George Krisztian, Flint Action Plan Coordinator
Laboratory Director
Department of Environmental Quality
Telephone: 517-284-6719
Cell:
October 27, 2015

Redacted page 43

Message

From: Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=BEDAN MORGAN683]
Sent: 10/27/2015 10:20:21 PM
To: Emmitt, Beth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Emmittb]
Subject: Fwd: October 27 Daily Briefing
Attachments: 151027 Daily Briefing.pdf; ATT00001.htm

Sent from my iPhone

Begin forwarded message:

From: "Bedan, Morgan (GOV)" <BedanM@michigan.gov>
To: "Snyder, Rick (GOV)" [REDACTED]
Cc: "Scott, Allison (GOV)" <scotta12@michigan.gov>, "Muchmore, Dennis (GOV)" <muchmored@michigan.gov>, "Clement, Elizabeth (GOV)" <clemente@michigan.gov>, "Agen, Jarrod (GOV)" <AgenJ@michigan.gov>, "Emmitt, Beth (GOV)" <emmittb@michigan.gov>, "Bedan, Morgan (GOV)" <BedanM@michigan.gov>, "Utley, Corey (GOV)" <UtleyC@michigan.gov>, "Dickinson, Sarah (GOV)" <DickinsonS@michigan.gov>
Subject: October 27 Daily Briefing
Governor,

Attached is your Daily Briefing for October 27. The briefing contains:

- [REDACTED]

Events

- [REDACTED]
- [REDACTED]

Meetings

- [REDACTED]
- [REDACTED]

For Review

- <!--[if !supportLists]--><!--[endif]-->Flint Water – Pages 42 – 49
 - <!--[if !supportLists]--><!--[endif]-->Updated Action Steps
 - <!--[if !supportLists]--><!--[endif]-->Updated Action Plan
 - <!--[if !supportLists]--><!--[endif]-->MDHHS Update

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Redacted

Please let us know if you have any questions.

Thank you,
Morgan

Governor Rick Snyder
October 27, 2015
Daily Briefing

[illegible]

Redacted pages 2-41

City of Flint Water Action Steps for Week of October 19-23

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
1.	Update 2004 letter to EPA	DEQ	Dana DeBruyn	This Action Step has been incorporated as part of the After Action Plan (Action Step #4)
2.	Schedule Flint Water Treatment Plant tour	DEQ and Flint	George Krisztian	Scheduled for 10/23/15 at 11:30 a.m.
3.	Figure out number of samples from schools and child care facilities	DEQ	Jim Sygo Pat Cook Steve Busch	1,300 samples (13 schools and 100 samples per school)
4.	Conduct After Action Plan	DEQ	George Krisztian	Initial meeting held 10/22/15
5.	Introduce legislative changes to Part 54 of NREPA – Drinking Water Revolving Loan Fund	DEQ, Treasury, and EPA	Maggie Pallone George Krisztian Sonya Butler	Draft language submitted to Maggie Pallone for review
6.	After Action Review Panel	DEQ	Madhu Anderson George Krisztian Karen Tommasulo	Panel created and press release issued on 10/21/15
7.	Staff hiring plan	DEQ	Jim Sygo Maggie Pallone George Krisztian	
8.	\$1 million for DEQ Laboratory billing code	DEQ	Maggie Pallone George Krisztian	Billing codes created on 10/21/15
9.	Finalize fiscal year 2017 budget request	DEQ	Maggie Pallone George Krisztian	

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
10.	Develop letter to schools	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	This Action Step has been incorporated into Action Step #13
11.	Finalize sampling protocol	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	Sampling protocol was revised to include comments by EPA
12.	Confirm school sampling logistics	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	Logistics have been finalized for the initial sampling scheduled for 10/24/15
13.	Meeting(s) with school staff/management	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	A meeting with the 10 remaining schools is tentatively scheduled for the week of 10/26/15
14.	Meet with DHHS and discuss all lead education material for schools	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	DEQ has contacted DHHS to schedule a meeting
15.	ODWMA staff observe a DLARA plumbing assessment	DEQ and DLARA	Steve Busch Pat Cook Mike Prysby	DEQ staff observed the DLARA plumbing assessment of Freeman Elementary School on 10/23/15
16.	Develop sample form and chain of custody document	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	DEQ Laboratory has created a fillable PDF form for use in the school sampling protocol

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
17.	Review corrosion control treatment plan and get any EPA comments	DEQ and EPA	Jim Sygo Steve Busch Pat Cook Mike Prysby	Summary of Flint's corrosion control plan submitted to EPA
18.	Review construction permit application and issue construction permit for phosphate equipment	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	Additional discussions are in progress with city of Flint
19.	Review Standby Operation of Flint Water Treatment Plant with city of Flint	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	Comments by DEQ to city of Flint have been provided
20.	Provide city of Flint updated monitoring schedule based on Detroit Water and Sewerage Department (DWSD)/Great Lakes Water Authority (GLWA) service	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	Updated monitoring schedule has been completed and signed
21.	Contact city of Flint and Genesee County Health Department daily for DWSD connection status updates	DEQ, Flint, and Genesee County Health Department	Jim Sygo Steve Busch Pat Cook Mike Prysby	Switch to DWSD completed on 10/16/15; city of Flint will let DEQ know if they run into any unforeseen issues
22.	Work with Karegnondi Water Authority (KWA) and other agencies to address bottleneck issues	DEQ and KWA	Jim Sygo Steve Busch Pat Cook Mike Prysby	Issues regarding soil erosion controls during construction are being addressed
23.	Verify city of Flint distribution operations under DWSD/GLWA service	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	The switch back to Detroit water has been smooth so far

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
24.	Contact city of Flint for Service Line Record status update and obtain a copy of the records to date	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	
25.	Provide DHHS with any available cross-reference information	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	
26.	Develop childcare facility guidance or review DHHS related materials	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	DEQ has contacted DHHS to schedule a meeting

Flint Drinking Water Action Plan Update

FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGE

- The sampling protocol was revised to address comments received on October 22 from EPA's Flint Safe Drinking Water Task Force.
- Staff assisted DLARA in conducting a plumbing assessment at Freeman Elementary School. Actions were taken to prepare for sampling to be conducted on Saturday, October 24.
- The information requested by the DEQ was not received on October 23 from Flint's consultant, Lockwood, Andrews & Newnam, Inc. (LAN); thus, the construction permit for phosphate equipment was not issued. DEQ staff discussed with Flint Water Treatment Plant operator Brent Wright and Utilities Superintendent Michael Glasgow. Brent confirmed that he needs to provide some of the information regarding the phosphate product to LAN.
- DEQ staff discussed with Michael Glasgow and Brent Wright the need for quarterly test runs and monthly operation reporting details while the Flint Water Treatment Plant is in standby mode. Also included the need to report phosphate dosages and phosphate residuals (plant tap and distribution) in the monthly operation report.
- John O'Brien (Genesee County Drain Commissioner's office) contacted DEQ staff in response to our October 22 e-mail. The Lapeer County Road Commission (LCRC) has placed a stop work order on Contract S-4005; however, the Genesee County Drain Commissioner's office contends that the LCRC has no authority to issue a stop work order; thus, work is continuing. DEQ stressed the importance to John of the need to keep the project moving forward and to confirm that the contractor is following proper soil erosion measures and other local guidelines that may apply.
- Based on a discussion with Michael Glasgow and Brent Wright, there have not been major distribution system issues or upsets since the switch back to Detroit Water and Sewerage Department. Utility operators were flushing and winterizing hydrants this week and flushing from the Flint Water Treatment Plant to the outside reaches of the distribution system. Phosphate residuals are also being measured twice per week at Flint's bacteria monitoring sites.

Additional Actions:

- Representatives from DEQ, DLARA, and DHHS met on October 23 with Mayor Dayne Walling and Howard Croft from the city of Flint for the weekly update. Each group gave an overview of actions that were taken over the course of the week. The DEQ discussed sample results from homeowners since the offer to

FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGE

Flint Drinking Water Action Plan Update

Page 2

provide free lead and copper testing was made. The DEQ also discussed the school sampling protocol that was developed and would be used on Saturday, October 24, at Freeman Elementary School. DLARA discussed the plumbing assessment of Freeman Elementary School that was being conducted on Friday, October 23. DHHS gave an update on the prioritization schema for blood lead screening that was being conducted for Flint residents, with the highest priority going to individuals with the highest risk, including young children and infants.

- After the weekly coordination meeting, the city of Flint gave a tour of the Flint Water Treatment Plant to coordination committee members from the DEQ, DLARA, and DHHS. The tour provided a complete picture of the treatment process for both sources of water that could potentially be used, including water from the Flint River and treated water coming from Detroit. There was also discussion on how water from the Karegnondi Water Authority would be distributed, along with discussion of the supplemental addition of corrosion control agents.
- On Saturday, October 24, representatives of DEQ and DLARA conducted the first sampling event of Flint schools at Freeman Elementary School. Media from several news agencies were present to cover the initial sampling event and conducted interviews with Karen Tommasulo and footage was taken of the sampling process. The sampling team consisted of seven members, and it took a little over three hours to conduct the entire sampling event. There was a small group of protesters outside of the school who stayed there for approximately an hour and a half, after which they peacefully disbursed.

After the sampling event, the samples were driven to the DEQ Laboratory and logged into the computer system. The Laboratory's Inorganics Unit Supervisor was contacted and made aware of the status of the samples. The samples were then prepped on Sunday, October 25, and are scheduled for analysis on Monday, October 26.

Links for media coverage of the sampling event are below:

<http://www.abc12.com/home/headlines/State-begins-extensive-testing-of-water-plumbing-inside-Flint-Community-Schools-336669641.html?device=phone&c=y>

<http://nbc25news.com/news/local/mdeq-tests-lead-levels-at-flint-schools>

Prepared by: George Krisztian, Flint Action Plan Coordinator
Laboratory Director
Department of Environmental Quality
Telephone: 517-284-6719

October 26, 2015

Flint Water Public Health Response: MDHHS Action Plan Daily Summary

10-22-15

ACTION PLAN: FILTER/FILTER REPLACEMENTS	STATUS
<p>Filter Distribution</p> <ul style="list-style-type: none"> Residents may continue to obtain filters from GCCARD (both sites 9-4PM) and MDHHS clients can continue to obtain filters at the two MDHHS office locations or the GCCARD sites. GCCARD working with UAW plumbers to provide home installs for vulnerable population including homebound, seniors, and dialysis. (Providing \$20,000 in kind support). 147 installs completed as of 10-21-2015. 	<p>No action indicated, informational only.</p>
<p>Filter Replacement Distribution</p> <ul style="list-style-type: none"> The procedure is in place for replacement cartridge distribution including an abbreviated application for residents to apply for and obtain cartridge replacement. Cartridge replacement will occur at same locations as filter sites. 	<p>ACTION: It is understood that MDHHS has obtained all available replacement cartridges from nationwide supply. Kris S will check with Chris Sanches (DHHS) to determine/verify availability of additional cartridges for purchase if needed. Estimated completion date: 10-23-15</p>
<p>NEW ISSUE: Public Education Proper Filter Use</p> <ul style="list-style-type: none"> When used improperly, the filters will exceed their capacity limit in a much shorter time frame thereby increasing need for filter replacement much sooner than expected. 	<p>ACTION: Jen Eisner will work with Hilda McShane to develop NEW public education material about proper use of cartridge AND how to obtain filter replacement cartridges, targeted for release week of October 26 during lead awareness week. This should be included with all filter replacement cartridges. Estimated Completion date: 10-26-15</p>
ACTION PLAN: LEAD TESTING IN CHILDREN/HIGH RISK GROUPS	STATUS
<p>Testing Protocol: Draft protocol has been completed, undergoing final review. Protocol calls for testing: Priority groups-</p> <ul style="list-style-type: none"> Confirmatory venous testing for children who had venous testing (115 children) Children in day care, Head Start children attending 3 schools (Freeman, Eisenhower, Brownell) Children residing in high risk zip codes (03, 04) All other students <p>Children/parents usual source of primary care. If no usual source of primary care, can obtain testing at GCHD. Mass</p>	<p>ACTION: Finalize testing protocol by 10-23-15 (Wells/Peeler) ACTION: Share all materials with Medicaid (Wells/Peeler) ACTION: Contact MDE regarding sharing student list (Hertel) ACTION: Wells/Valacak will schedule a meeting with the Flint Schools superintendent to discuss parent education/lead testing (Friday, October 23) ACTION: The list of kids with elevated blood levels will be cross referenced to see if their household has a filter. (Peeler/Scott)</p>

<p>testing in school setting NOT recommended.</p> <p>Would like to obtain the student list from the three schools and cross reference with our lead testing data to determine children tested/not tested</p>	
<p>Parent education materials have been completed. GCHD has ability to work with their Head Start and Early head start programs to disseminate parent information</p>	<p>ACTION: Call with Flint school superintendent, GCHD, and MDHHS scheduled 10-24-15 to discuss dissemination process. Will also contact Kyle Guerrant(MDE). (Hertel) Estimated Completion date: 10-23-15</p>
<p>Provider educational material completed. Communication to providers will occur through GCHD and MDHHS networks (GCMS, GCARD, hospitals, etc)</p>	<p>ACTION: Need to coordinate with GCHD. Estimated completion date: TBD (Wells/Peeler)</p>
<p>Community public education and testing event: Working with GCHD to coordinate public testing and awareness events with health care providers and health plans in the Flint area.</p>	<p>ACTION: McLaren Health Plan in conjunction with GCHD hosting a public testing and awareness event on November 5 at the Burton GCHD site. McLaren will have providers on site to perform testing for their members; GCHD onsite to perform testing for all others. Event will also include Medicaid application assistance. ACTION: Tony Larocco (GCHD) has contacted Molina, Molina Health interested in sponsoring a similar community testing and awareness event. Estimated completion date: confirm Molina date by 10-30-15 (LaRocco-GCHD)</p>
ACTION PLAN: ENVIRONMENTAL INVESTIGATION	
<p>Wes Priem (MDHSS) developed a data collection document that will be in the testing protocol. The document collects additional information that will help expedite the environmental investigation process.</p>	<p>No action indicated, informational only</p>
ACTION PLAN: FUNDING	
<p>10-21-15 Funding for case management nurses will be disseminated to GCHD through new project: <i>Flint Water</i>, for \$425,000 through the Comprehensive Contract Egrams system, to fund the: Follow-up of Children Reported with Elevated Lead Levels: Case Management Services. GCHD advised to secure approvals for use of these funds and begin procedures to place staff in appropriate positions to conduct the work.</p>	<p>No action indicated, informational only</p>

Redacted pages 50-61

Message

From: Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=BEDAN MORGAN683]
Sent: 10/28/2015 8:13:04 PM
To: Snyder, Rick (GOV) [REDACTED]
CC: Scott, Allison (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Scotta12]; Muchmore, Dennis (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Muchmored]; Clement, Elizabeth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Clemente]; Agen, Jarrod (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Agen Jarrod9ea]; Emmitt, Beth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Emmittb]; Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bedan Morgan683]; Dickinson, Sarah (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Dickinson Sarah4ab]; Utley, Corey (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=UtleyC]
Subject: October 29 Daily Briefing
Attachments: [REDACTED]
[REDACTED] 151029 Daily Briefing.pdf

Governor,

Attached is your Daily Briefing for October 29. The briefing contains

- **Redacted**

Meetings

- **Redacted**
-

-
-
-
-

Redacted

For Review

- Flint Water – Pages 37 – 40
 - Updated Action Steps
 - Updated Action Plan

-

Redacted

Please let us know if you have any questions.

Thank you,

Morgan

Attachment Redacted as Irrelevant

Attachment Redacted as Irrelevant

Attachment Redacted as Irrelevant

Daily Briefing

Contents	Pages
<p>For Review</p> <p>Flint Water</p> <p>1. Updated Action Steps – Page</p> <p>2. Updated Action Plan – Page 40</p>	
	37 – 40

Redacted pages 2-36

City of Flint Water Action Steps for Week of October 26-30

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
1.	Conduct After Action Plan	DEQ	George Krisztian	Initial meeting held 10/22/15
2.	Introduce legislative changes to Part 54 of NREPA – Drinking Water Revolving Loan Fund	DEQ, Treasury, and EPA	Maggie Pallone George Krisztian Sonya Butler	Draft language submitted to Maggie Pallone for review
3.	After Action Review Panel	DEQ	Madhu Anderson George Krisztian Karen Tommasulo	Panel created and press release issued on 10/21/15
4.	Staff hiring plan	DEQ	Jim Sygo Maggie Pallone George Krisztian	
5.	Finalize fiscal year 2017 budget request	DEQ	Maggie Pallone George Krisztian	
6.	Meeting(s) with school staff/management	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	A meeting with the 10 remaining schools is tentatively scheduled for the week of 10/26/15
7.	Meet with DHHS and discuss all lead education material for schools	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	Meeting held on 10/27/15; action items created
8.	Review corrosion control treatment plan and get any EPA comments	DEQ and EPA	Jim Sygo Steve Busch Pat Cook Mike Prysby	Summary of Flint's corrosion control plan submitted to EPA

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
9.	Review construction permit application and issue construction permit for phosphate equipment	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	Additional items provided; still need 2 more items
10.	Review Standby Operation of Flint Water Treatment Plant with city of Flint	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	Comments by DEQ to city of Flint have been provided
11.	Work with Karegnondi Water Authority (KWA) and other agencies to address bottleneck issues; check weekly for status update	DEQ and KWA	Jim Sygo Steve Busch Pat Cook Mike Prysby	Issues regarding soil erosion controls during construction are being addressed
12.	Contact city of Flint for Service Line Record status update and obtain a copy of the records to date	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	Cross-referencing process has begun
13.	Provide DHHS with any available cross-reference information	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	
14.	Develop childcare facility guidance or review DHHS-related materials	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	Meeting held on 10/27/15; DHHS to provide materials
15.	Create a generic school sampling guidance document for statewide distribution; target audience: schools served by municipal water	DEQ and DLARA	Jim Sygo Steve Busch Richard Benzie	

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
16.	Confirm plumbing assessment and sampling is scheduled for Brownell K-2 STEM Academy and Eisenhower Elementary School	DEQ and DLARA	Jim Sygo Steve Busch Mike Prysby	Tentatively scheduled for 10/30/15

Flint Drinking Water Action Plan Update

FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGE

- DEQ staff met with DHHS staff on October 27 to discuss all lead education material for schools, and action items were created.
- On October 27 DEQ's Lansing District Office received updated dosage, pump specifications, and cut-sheets for phosphate product. A quick glance at the submittal shows most of the requested information has been provided, except for the NSF Standard 60 certification and the maximum dose. Staff will cross-reference the NSF Web site to verify proper certification and maximum dose. If acceptable, DEQ staff will proceed with issuance of the Act 399 permit. Otherwise, the city of Flint's consultant will need to provide the DEQ with the NSF Standard 60 certification and maximum dose information.
- DEQ staff has cross-referenced 46 of the 326 historical lead and copper monitoring sampling sites with the 10,895 service line index card information records available to date.
- DEQ staff met with DHHS staff to review and further develop childcare facility guidance and incorporate drinking water exposure information. Guidance is being provided by DHHS specific to the Genesee County emergency order, and separate guidance for statewide use will also be developed.

Additional Actions:

- Preliminary follow-up review of sampling event at Freeman Elementary School: DEQ and DLARA staff met and reviewed outlet/tap materials to correlate with sample results. DEQ staff contacted Jim Henry, Genesee County Health Department, to confirm the location of screening samples. The draft write-up is to be completed by DEQ staff on October 28.
- The weekly meeting between DEQ, DLARA, and DHHS was held. Discussion topics included a review of the results for Freeman Elementary School, along with a discussion of what the results meant and how the data would be presented to the Flint Community Schools Superintendent so that the information could be used to create an action plan for the school. Discussion also included working out the logistics for conducting the plumbing evaluation and subsequent sampling for the other two elementary schools that had results above the action level during the initial screen of 13 schools. Plans are in process to conduct these two plumbing evaluations on Friday, October 30, with the sampling to take place on Saturday, October 31.

Prepared by: George Krisztian, Flint Action Plan Coordinator
Laboratory Director
Department of Environmental Quality
Telephone: 517-284-6719
Cell: 517-420-5897
October 28, 2015

Redacted pages 41-89

Message

From: Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=BEDAN MORGAN683]
Sent: 10/29/2015 6:46:08 PM
To: Snyder, Rick (GOV) [REDACTED]
CC: Scott, Allison (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Scotta12]; Muchmore, Dennis (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Muchmored]; Clement, Elizabeth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Clemente]; Agen, Jarrod (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Agen Jarrod9ea]; Emmitt, Beth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Emmittb]; Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bedan Morgan683]; Dickinson, Sarah (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Dickinson Sarah4ab]; Utley, Corey (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=UtleyC]
Subject: Summit of North American Governors and Premiers Briefing
Attachments: Summit of North American Governors and Premiers Briefing.pdf

Governor,

Attached is your briefing for the Summit of North American Governor and Premiers. The briefing contains:

- **Redacted**

Events

- **Redacted**

For Review

- Flint Water – Pages 59 – 62
 - Updated Action Plan
 - Updated Action Steps

Please let us know if you have any questions.

Safe trip,

Morgan

Governor Rick Snyder

October 30st – November 1st, 2015

Summit of North American Governors and Premiers

Contents	Pages
For Review	
Flint Water 1. Updated Action Plan – Page 59 2. Updated Action Steps – Page 62	59 – 62

Note: Minor additions made to briefing; no contextual changes

Redacted pages 2-58

City of Flint Water Action Steps for Week of October 26-30

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
1.	Conduct After Action Plan	DEQ	George Krisztian	Initial meeting held 10/22/15
2.	Introduce legislative changes to Part 54 of NREPA – Drinking Water Revolving Loan Fund	DEQ, Treasury, and EPA	Maggie Pallone George Krisztian Sonya Butler	Draft language submitted to Maggie Pallone for review
3.	After Action Review Panel	DEQ	Madhu Anderson George Krisztian Karen Tommasulo	Panel created and press release issued on 10/21/15
4.	Staff hiring plan	DEQ	Jim Sygo Maggie Pallone George Krisztian	
5.	Finalize fiscal year 2017 budget request	DEQ	Maggie Pallone George Krisztian	
6.	Meeting(s) with school staff/management	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	A summary report for Freeman Elementary School has been drafted
7.	Meet with DHHS and discuss all lead education material for schools	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	Meeting held on 10/27/15; action items created
8.	Review corrosion control treatment plan and get any EPA comments	DEQ and EPA	Jim Sygo Steve Busch Pat Cook Mike Prysby	Meeting held on 10/28/15 to discuss comments

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
9.	Review construction permit application and issue construction permit for phosphate equipment	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	Act 399 permit issued 10/28/15
10.	Review Standby Operation of Flint Water Treatment Plant with city of Flint	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	Comments by DEQ to city of Flint have been provided
11.	Work with Karegnondi Water Authority (KWA) and other agencies to address bottleneck issues; check weekly for status update	DEQ and KWA	Jim Sygo Steve Busch Pat Cook Mike Prysby	Issues regarding soil erosion controls during construction are being addressed
12.	Contact city of Flint for Service Line Record status update and obtain a copy of the records to date	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	Cross-referencing process has begun
13.	Provide DHHS with any available cross-reference information	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	
14.	Develop childcare facility guidance or review DHHS-related materials	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	Meeting held on 10/27/15; DHHS to provide materials
15.	Create a generic school sampling guidance document for statewide distribution; target audience: schools served by municipal water	DEQ and DLARA	Jim Sygo Steve Busch Richard Benzie	

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
16.	Confirm plumbing assessment and sampling is scheduled for Brownell K-2 STEM Academy and Eisenhower Elementary School	DEQ and DLARA	Jim Sygo Steve Busch Mike Prysby	Sampling materials have been requested from DEQ Laboratory

Flint Drinking Water Action Plan Update

FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGE

- Discussion held on October 28 with EPA's Flint Safe Drinking Water Task Force (Task Force) concerning monitoring results at Freeman Elementary School. A report that summarizes the results of the samples collected from the school for the lead analysis has been drafted.
- DEQ staff discussed the items needed for the corrosion control treatment plan. An outline of a Corrosion Treatment Operation letter has been prepared. The letter will be finalized and sent to the city of Flint. Water quality parameter monitoring and laboratory certification was also discussed with the EPA's Task Force.
- DEQ staff completed the review and verified NSF Standard 60 conformance, proper dosage, and feed pump sizing. The Act 399 permit for the installation of the phosphate feed equipment was issued on October 28.
- Coordinated with the DEQ Laboratory to create and produce the "Request for Water Analysis Forms" and the bottle order needed for sampling at Brownell K-2 STEM Academy and Eisenhower Elementary School on Saturday, October 31.

Additional Action:

DEQ Director Dan Wyant and DEQ staff met with DHHS Director Nick Lyon and DHHS staff to discuss coordination of the messaging of data related to Flint water and blood samples. It was agreed that it was important to ensure that the water and blood data are put into context with respect to each other. Discussion also involved creating a message that discusses what lead concentrations in water mean from a regulatory and from a health-based perspective. Current regulations are not in step with current health-based exposure models, so additional work needs to be done to ensure a comprehensive message that is clear.

Prepared by: George Krisztian, Flint Action Plan Coordinator
Laboratory Director
Department of Environmental Quality
Telephone: 517-284-6719

October 29, 2015

Message

From: Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=BEDAN MORGAN683]
Sent: 10/30/2015 5:59:54 PM
To: Snyder, Rick (GOV) [REDACTED]
CC: Scott, Allison (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Scotta12]; Muchmore, Dennis (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Muchmored]; Clement, Elizabeth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Clemente]; Agen, Jarrod (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Agen Jarrod9ea]; Emmitt, Beth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Emmittb]; Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bedan Morgan683]; Utley, Corey (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=UtlleyC]; Dickinson, Sarah (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Dickinson Sarah4ab]
Subject: October 30 Weekend Briefing
Attachments: DTMB Project Portfolio.pdf; [REDACTED] 151030 Weekend Briefing.pdf

Governor,

Attached is your Weekend Briefing for October 30. The briefing contains:

- **Redacted**

Events

- **Redacted**

Meetings

- **Redacted**

- **Redacted**

For Review

- Flint Water Update – Pages 95 – 98

- **Redacted**
-
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-
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Please let us know if you have any questions.

Thank you,

Morgan

Redacted pages 1-26; 28-68

- Blood Lead - Due to the Flint Lead exposure, additional requirements or scope changes may be requested by the Lead Program

Redacted pages 28-68

Attachment Redacted as Irrelevant

Governor Rick Snyder
October 30, 2015
Weekend Briefing

Contents	Page
For Review	
Flint Water Update	95 – 98

November 2, 2015

Monday

All Day

FYI: Senior Staff at 9AM

1)

2)

3)

4)

5) Flint After Action (Baird/Hollins)

6)

7)

Redacted pages 3-94

City of Flint Water Action Steps for Week of October 26-30

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
1.	Conduct After Action Plan	DEQ	George Krisztian	Meeting held on 10/29/15 to discuss time line
2.	Introduce legislative changes to Part 54 of NREPA – Drinking Water Revolving Loan Fund	DEQ, Treasury, and EPA	Maggie Pallone George Krisztian Sonya Butler	Draft language submitted to Maggie Pallone for review
3.	After Action Review Panel	DEQ	Madhu Anderson George Krisztian Karen Tommasulo	Panel created and press release issued on 10/21/15
4.	Staff hiring plan	DEQ	Jim Sygo Maggie Pallone George Krisztian	Negotiations underway to contract with the Genesee County Health Department
5.	Finalize fiscal year 2017 budget request	DEQ	Maggie Pallone George Krisztian	
6.	Meeting(s) with school staff/management	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	A summary report for Freeman Elementary School has been drafted
7.	Meet with DHHS and discuss all lead education material for schools	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	Meeting held on 10/27/15; action items created
8.	Review corrosion control treatment plan and get any EPA comments	DEQ and EPA	Jim Sygo Steve Busch Pat Cook Mike Prysby	Meeting held on 10/28/15 to discuss comments

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
9.	Review construction permit application and issue construction permit for phosphate equipment	DEQ	Jim Sygo Steve Busch Pat Cook Mike Prysby	Act 399 permit issued 10/28/15
10.	Review Standby Operation of Flint Water Treatment Plant with city of Flint	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	Comments by DEQ to city of Flint have been provided
11.	Work with Karegnondi Water Authority (KWA) and other agencies to address bottleneck issues; check weekly for status update	DEQ and KWA	Jim Sygo Steve Busch Pat Cook Mike Prysby	Issues regarding soil erosion controls during construction are being addressed
12.	Contact city of Flint for Service Line Record status update and obtain a copy of the records to date	DEQ and Flint	Jim Sygo Steve Busch Pat Cook Mike Prysby	Cross-referencing process has begun
13.	Provide DHHS with any available cross-reference information	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	
14.	Develop childcare facility guidance or review DHHS-related materials	DEQ and DHHS	Jim Sygo Steve Busch Pat Cook Mike Prysby	Meeting held on 10/27/15; DHHS to provide materials
15.	Create a generic school sampling guidance document for statewide distribution; target audience: schools served by municipal water	DEQ and DLARA	Jim Sygo Steve Busch Richard Benzie	Final draft of school sampling protocol has been written and is awaiting final review

Step No.	Action Step	Involved Parties	DEQ Point(s) of Contact	Status
16.	Confirm plumbing assessment and sampling is scheduled for Brownell K-2 STEM Academy and Eisenhower Elementary School	DEQ and DLARA	Jim Sygo Steve Busch Mike Prysby	Sampling materials have been requested from DEQ Laboratory

Flint Drinking Water Action Plan Update

FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGE

- Weekly internal After Action Plan meetings are being held. The topics of discussion for the meeting held on October 29 included a status update of the time line of events. It was agreed that a long-term comprehensive time line needed to be created, but an outline written at a higher level was needed within the next week to present to the Governor's After Action Review Panel. Additional discussion topics included an internal evaluation of the Safe Drinking Water Act, 1976 PA 399, as amended, as well as the federal lead and copper rule to determine what, if any, actions were implemented incorrectly.
- Negotiations between the Genesee County Health Department (GCHD) and the DEQ have begun to set up a contract to utilize GCHD resources to conduct sampling of schools within the Flint Community Schools as well as parochial schools, charter schools, and childcare facilities.
- The final draft of the school sampling protocol has been written and is awaiting final review. This version of the protocol incorporates comments by the EPA and will be used to sample at Eisenhower Elementary School and Brownell K-2 STEM Academy on Saturday October 31. Experiences from the sampling of Freeman Elementary School on Saturday October 24, were used to create the final draft, and experiences from Eisenhower and Brownell will be used to determine if any further changes are required.

Prepared by: George Krisztian, Flint Action Plan Coordinator
Laboratory Director
Department of Environmental Quality
Telephone: 517-284-6719

October 30, 2015

Redacted pages 99-101

Message

From: Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=BEDAN MORGAN683]
Sent: 11/6/2015 11:01:05 PM
To: Snyder, Rick (GOV) [REDACTED]
CC: Scott, Allison (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Scotta12]; Muchmore, Dennis (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Muchmored]; Clement, Elizabeth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Clemente]; Agen, Jarrod (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Agen Jarrod9ea]; Emmitt, Beth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Emmittb]; Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bedan Morgan683]; Utley, Corey (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=UtlleyC]; Dickinson, Sarah (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Dickinson Sarah4ab]
Subject: November 6 Weekend Briefing and Bill Packet
Attachments: [REDACTED]151106 Weekend Briefing.pdf

Governor,

Attached is your Weekend Briefing and Bill Packet for Tuesday's bill signings. The briefing contains:

- **Redacted**

Events

- **Redacted**
-

For Review

- **Redacted**
-
-
-
-
-

Signed Letters

- DEQ Susan Hedman USEPA Flint Water – Page 52

Please let us know if you have any questions.

Thank you,

Morgan

Attachment Redacted as Irrelevant

Governor Rick Snyder
November 6, 2015
Weekend Briefing

[illegible]

Redacted pages 2-51



STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

RICK SNYDER
GOVERNOR

BRIAN CALLEY
LT. GOVERNOR

November 6, 2015

Dr. Susan Hedman, Regional Administrator
United States Environmental Protection Agency
Region 5
77 West Jackson Boulevard (R-19J)
Chicago, Illinois 60604-3507

Dear Dr. Hedman:

This letter is in follow up to a conference call on October 20, 2015 between the United States Environmental Protection Agency (USEPA), Region 5, and the Michigan Department of Environmental Quality (MDEQ). The purpose of that call was to discuss Region 5's Flint Safe Drinking Water Task Force (Task Force) that was established to provide the USEPA's technical expertise to the MDEQ and the city of Flint, Michigan.

During that call, it was requested that the State of Michigan provide the USEPA with an MDEQ point of contact for the Task Force. This letter is to inform you of the designation of Mr. Jim Sygo, Chief Deputy Director, MDEQ, as that point of contact. Mr. Sygo's contact information is below:

Michigan Department of Environmental Quality
P.O. Box 30473
Lansing, MI 48909-7973
sygoj@michigan.gov
517-284-6709

Thank you for your assistance in this matter as we work together to ensure a safe and reliable drinking water supply for the city of Flint.

Sincerely,

Rick Snyder
Governor

cc: Mr. Robert Kaplan, Deputy Regional Administrator, USEPA, Region 5
Mr. Dan Wyant, Director, MDEQ
Mr. Jim Sygo, Chief Deputy Director, MDEQ

Message

From: Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=BEDAN MORGAN683]
Sent: 12/11/2015 8:45:18 PM
To: Snyder, Rick (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=[REDACTED]]
CC: Scott, Allison (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Scotta12]; Muchmore, Dennis (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Muchmored]; Clement, Elizabeth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Clemente]; Agen, Jarrod (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Agen Jarrod9ea]; Emmitt, Beth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Emmittb]; Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bedan Morgan683]; Utley, Corey (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=UtlleyC]; Dickinson, Sarah (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Dickinson Sarah4ab]
Subject: December 11 Weekend Briefing
Attachments: [REDACTED] 151211 Weekend Briefing.pdf

Governor,

Attached is your Weekend Briefing for December 11 and December 15 Bill Packet. The briefing contains:

- **Redacted**

Events

- **Redacted**

Meetings

- Updates for Year-End Media – Pages 28 – 42

Redacted

- Flint

Redacted

For Review

Redacted

Signed Letters

Redacted

Please let us know if you have any questions.

Thank you,

Morgan

Attachment Redacted as Irrelevant

Attachment Redacted as Irrelevant

Governor Rick Snyder

December 11, 2015

Weekend Briefing

[illegible]

Redacted pages 2-40

Flint Facts

1. How many people have been tested since Oct. 1 Flint Water Action Plan was implemented?

- Total of 1,836 tested, 39 elevated results
 - Children 0 – 5: 806 tested
 - Children 6 – 17: 525 tested
 - Adults: 505 tested

2. What are the most recent recommendations to protect your family from lead exposure?

- Protecting your family from lead in the water:
 - Get your water tested for lead. It's free. Call (810) 787-6537 to learn more.
 - Use a water filter in your home. MDHHS continues to provide free water filters and replacement cartridges to Flint residents at four locations, including the MDHHS Flint offices and the Genesee County Community Action Resource Department.
 - Run only cold water through the filter.
 - If you do not have a water filter, use bottled water for drinking and mixing formula.
 - Use filtered or bottled water for drinking (including making coffee, drink mixes, juice, baby formula), and cooking (even if you boil the water, the lead will stay in the water and food).
 - If you have to use unfiltered water for drinking or cooking, run the tap for five minutes before using the water
- Testing children:
 - Children who live in the city of Flint should be tested for lead exposure. This should be done as soon as possible.
 - The best place to get your child's blood lead test is your doctor's office. Contact your primary care provider.
 - Children can also get a free lead test at the Genesee County Health Department. For help with transportation, call 2-1-1.
- Safe cleaning:
 - Safe cleaning is important. Keeping your home clean and safe from lead hazards will help to protect your family.
 - Buildings built before 1978 could have lead paint in them. Use wet paper towels to clean up paint chips and dust in these older buildings. Be sure to clean around windows, play areas, and floors.
 - Wash hands and toys often with soap and water.
 - You can use unfiltered tap water to wipe down countertops, mop floors, and wash clothes

The DEQ continues implementing the Governor's 10-point action plan to protect kids and families in Flint:

1. SCHOOLS TESTING

- The Governor's plan commits that DEQ will test water in every Flint school. To date, 8 schools in Flint have undergone a thorough inspection of their plumbing. Crews from the state are completing one to two schools each weekend.
- The story has been the same in each school inspected: lead exposure has been limited to old drinking fountains and faucets that should have been changed out years ago. When these fixtures are run for a couple minutes, lead presence drops to safe levels. If / when these fixtures are removed, it will address the lead exposure in schools.
- DEQ has not identified lead in the deeper plumbing of the schools. That's great news. It means fixing the issue will be comparatively inexpensive and quick.

2. COMMUNITY WATER TESTING

- Since September, more than 500 residents have taken advantage of free home water sampling through the DEQ lab. Results are updated regularly on the DEQ web site, www.michigan.gov/FLINTWATER.
- Residents are encouraged to continue taking advantage of this free service, but also are encouraged to get kids tested for blood lead levels.

3. LEAD SERVICE LINE REPLACEMENT

- The only way to remove the threat of lead exposure in drinking water is to remove sources like old faucets and lead service lines. The DEQ is working with the city to develop a long-term plan for removing the service lines. This is complicated because the service line is the portion that runs from the city system to the residence. It's the part that is mostly on private property and is generally considered the customer's responsibility.
- DEQ worked with Congressman Kildee to get EPA approval to use Revolving Loan Fund dollars to accomplish lead service line replacement.

OTHER VARIOUS ISSUES:

- Cong. Kildee has renewed calls for loan forgiveness in Flint. The city owes the state approximately \$20.8 million for past loans, and they're scheduled to be paid off in 2024. DEQ cannot forgive old loans; we can, however, build loan forgiveness into new loans. Forgiveness is presently capped at 30 percent on new loans.
- City has called on DEQ to pay for fixes to the broader water distribution system on the idea that running river water through the system for 14 months ruined it. That's an unproven statement. The system has been in a serious state of disrepair for many years. We have not addressed this issue in the media. We are focused on the Governor's plan.
- Lawmakers have called for the state to create a fund to provide wraparound services for the (Kildee says 7,000) kids exposed to Flint water situation. Don't know where the 7,000 number came from. DHHS has numbers of kids who actually have elevated blood lead levels. Again, not an issue we've addressed or plan to.

Redacted pages 43-90

Message

From: Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=BEDAN MORGAN683]
Sent: 12/13/2015 2:48:11 PM
To: Snyder, Rick (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=REDACTED]
CC: Scott, Allison (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Scotta12]; Muchmore, Dennis (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Muchmored]; Clement, Elizabeth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Clemente]; Emmitt, Beth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Emmittb]; Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bedan Morgan683]; Utley, Corey (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=UtleyC]; Dickinson, Sarah (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Dickinson Sarah4ab]
Subject: December 14 Daily Briefing
Attachments: 151214 Daily Briefing.pdf

Governor,

Attached is your Daily Briefing for December 14. The briefing contains:

Redacted

Meetings

- Year-End Media – Pages 19 – 33
 - 2015 Highlights
 - 2015 Accomplishments

Redacted

- Flint

Redacted

Please let us know if you have any questions.

Thank you,

Morgan

Redacted from 2-31

Flint Facts

1. How many people have been tested since Oct. 1 Flint Water Action Plan was implemented?

- Total of 1,836 tested, 39 elevated results
 - Children 0 – 5: 806 tested
 - Children 6 – 17: 525 tested
 - Adults: 505 tested

2. What are the most recent recommendations to protect your family from lead exposure?

- Protecting your family from lead in the water:
 - Get your water tested for lead. It's free. Call (810) 787-6537 to learn more.
 - Use a water filter in your home. MDHHS continues to provide free water filters and replacement cartridges to Flint residents at four locations, including the MDHHS Flint offices and the Genesee County Community Action Resource Department.
 - Run only cold water through the filter.
 - If you do not have a water filter, use bottled water for drinking and mixing formula.
 - Use filtered or bottled water for drinking (including making coffee, drink mixes, juice, baby formula), and cooking (even if you boil the water, the lead will stay in the water and food).
 - If you have to use unfiltered water for drinking or cooking, run the tap for five minutes before using the water
- Testing children:
 - Children who live in the city of Flint should be tested for lead exposure. This should be done as soon as possible.
 - The best place to get your child's blood lead test is your doctor's office. Contact your primary care provider.
 - Children can also get a free lead test at the Genesee County Health Department. For help with transportation, call 2-1-1.
- Safe cleaning:
 - Safe cleaning is important. Keeping your home clean and safe from lead hazards will help to protect your family.
 - Buildings built before 1978 could have lead paint in them. Use wet paper towels to clean up paint chips and dust in these older buildings. Be sure to clean around windows, play areas, and floors.
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Redacted pages 34-60

Message

From: Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=BEDAN MORGAN683]
Sent: 12/14/2015 9:37:05 PM
To: Snyder, Rick (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=[REDACTED]]
CC: Scott, Allison (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Scotta12]; Muchmore, Dennis (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Muchmored]; Clement, Elizabeth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Clemente]; Agen, Jarrod (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Agen Jarrod9ea]; Emmitt, Beth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Emmittb]; Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bedan Morgan683]; Utle, Corey (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=UtleC]; Dickinson, Sarah (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Dickinson Sarah4ab]
Subject: December 15 Daily Briefing and Bill Packet
Attachments: [REDACTED] 151215 Daily Briefing.pdf

Governor,

Attached is your December 15 Daily Briefing and Bill Packet. The briefing contains:

Redacted

Redacted

For Review

- Flint Water Update – Pages 83 – 86

Redacted

Please let us know if you have any questions.

Thank you,

Morgan

Attachment Redacted as Irrelevant

Attachment Redacted as Irrelevant

Governor Rick Snyder
December 15, 2015
Daily Briefing

	Contents	Pages
For Review		
Flint Water Update		87 – 91

Redacted pages 2-87

FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGE

Flint Drinking Water Action Plan Update

Page 2

is no funding source identified that could cover this expense. The city expressed concerns that it was being asked to cover expenses for measures that other supplies would not be expected to implement. LAN will meet with the EPA to discuss other options.

Significant Event:

On December 8, 2015, the Department of Technology, Management and Budget (DTMB) confirmed that the e-mail sent from Liane Shekter Smith on August 25, 2015, to Lee-Anne Walters was successfully delivered to the gmail.com system at the e-mail address provided by Ms. Walters. The DTMB was asked to confirm delivery of that e-mail based on an accusation that the DEQ never responded to an inquiry, and then when a copy of the original e-mail was provided, an accusation was made with respect to the authenticity of the e-mail.

Changes from Previous Report:

- DHHS incorporated comments from the DEQ regarding a phosphate fact sheet being designed for public education purposes. DHHS then finalized the fact sheet utilizing the suggestions provided by the DEQ.
- Instructions for lead and copper sampling were finalized, based on comments received from the EPA. The final draft was shared with city of Flint personnel on December 11, 2015, for use in their next round of lead and copper compliance monitoring. Microsoft Word and pdf versions were posted on the DEQ Web site on December 14, 2015, to replace the previous version of the instructions.
- The city of Flint has hired an outside consultant to identify 150 Tier 1 sites for a sampling pool for use in compliance with the Lead and Copper Rule. This effort is being taken to ensure that future sampling events include verified and documented Tier 1 sampling sites to ensure compliance with the Lead and Copper Rule.
- DEQ staff visited Control Station #2 to observe the operation of the phosphate feed system. The inspection of the phosphate feed system confirmed that the system is in operation and the system is dosing at 2.5 mg/l as phosphate. A couple of minor provisions had not been completed at the time of the inspection but do not currently affect the operation of the supplemental addition of phosphate to the water.
- DEQ staff modified the Act 399 construction permit for the Flint raw water transmission line. The modification was needed to allow for rerouting of the transmission main due to poor soil conditions that were encountered along the original route.

FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGE

Flint Drinking Water Action Plan Update

Page 3

Other Item:

Attached is the revised Drinking Water Lead and Copper Sampling Instructions document.

Prepared by: George Krisztian, Flint Action Plan Coordinator
Laboratory Director
Department of Environmental Quality
Telephone: 517-284-6719
Cell:
December 14, 2015

DRINKING WATER LEAD AND COPPER SAMPLING INSTRUCTIONS

Dear Resident:

Thank you for helping to monitor for lead and copper in your drinking water. This sampling is required by the federal and state Safe Drinking Water Acts, and is being accomplished with the cooperation of homeowners, residents, and water system customers.

It is important that you follow these instructions so we obtain an accurate measurement of the lead and copper in your drinking water. This sample should represent the water you would typically drink and the faucet from where you drink the water. Select a faucet for sampling that was used the day before you intend to sample. Call your water supply if you have questions.

1. Water must sit idle in the pipes for an extended length of time before sampling. Therefore, do not use any water in the house for at least 6 hours before sampling. The best times to sample are early morning or after returning from work.
2. Select an unfiltered/untreated faucet in the **KITCHEN** or **BATHROOM** that is commonly used for drinking. **DO NOT** sample from a laundry sink or a hose spigot as these samples cannot be used for compliance. **DO NOT** use a faucet that has a filter attached to it unless you bypass the filter. **DO NOT** use a faucet that is connected to a home water treatment device (like a water softener, iron filter, reverse osmosis) unless you bypass the home water treatment device.
3. Place the open sample bottle below the faucet and gently open the **COLD** water tap. If you have a single handle faucet, turn it fully to the **COLD** side. Fill the sample bottle to the neck with the "first draw" of **COLD** water.
4. Tightly cap the sample bottle and place in the sample kit provided. Review the sample kit label to ensure all information contained on the label is complete and correct.
5. Answer the questions on the back of this form and sign the form.
6. Attach this form to the bottle and leave it outside your front door for pick-up.
7. Thank you again for your help. We will send you your individual results within 30 days of receiving them from the laboratory. A summary of information on this year's lead and copper monitoring will be printed in the annual water quality report that will be made available by July 1 of next year. Contact your water supply if you have questions.

If you have questions call:
Water Supply: _____

Manager or
Water Operator: _____

Phone: _____

Or Contact:
Michigan Department of Environmental Quality

DEQ Contact: _____

Phone: _____

TO BE COMPLETED BY RESIDENT/CUSTOMER

A. Which faucet did you use to fill the bottle?

☐ Kitchen ☐ Main bathroom ☐ Other

If OTHER, please describe: _____

B. When was the faucet last used before sampling?

Date _____ TIME _____ AM/PM

Note: If the faucet has been idle more than 24 hours, we might not analyze your sample or be able to use your sample for compliance purposes.

C. When did you fill the bottle?

DATE _____ TIME _____ AM/PM

D. Is there a faucet mount filter? ☐ YES ☐ NO

If YES, was it bypassed? ☐ YES ☐ NO

E. Is this faucet connected to a home treatment device such as a water softener, a reverse osmosis unit, an iron removal device OR is any kind of additive used in the home? ☐ YES ☐ NO

If YES, please describe: _____

Note: If you have a home treatment device OR any kind of additive is used, it is possible we might not analyze your sample or be able to use your sample for compliance purposes.

F. If any plumbing repairs or replacement has been done in the home since the previous sampling event, please note this information here:

If YES, please describe: _____

I have read the Drinking Water Lead and Copper Sampling Instructions and have taken a tap sample in accordance with these directions.

Signature

Redacted pages 92-94

Message

From: Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=BEDAN MORGAN683]
Sent: 1/5/2016 9:43:14 PM
To: Snyder, Rick (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=REDACTED]
CC: Scott, Allison (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Scotta12]; Clement, Elizabeth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Clemente]; Agen, Jarrod (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Agen Jarrod9ea]; Emmitt, Beth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Emmittb]; Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bedan Morgan683]; Utley, Corey (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=UtleyC]; Dickinson, Sarah (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Dickinson Sarah4ab]
Subject: January 6 Daily Briefing
Attachments: REDACTED; 160106 Daily Briefing.pdf

Governor,

Attached is your Daily Briefing for January 6. The briefing contains:

Redacted

Redacted

For Review

Redacted

- Flint Water Update – Pages 31 – 41

Redacted

Please let us know if you have any questions.

Thank you,

Morgan

Attachment Redacted as Irrelevant

Daily Briefing

[illegible]

Redacted pages 2-30

Flint Drinking Water Action Plan Update

FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGE

Key Actions:

On December 28-29, 2015, staff from the DEQ and DLARA conducted the formal plumbing evaluation of Flint Community Schools' Northwestern High School and Southwestern Classical Academy. On December 29-30 staff from DEQ and DLARA then performed the follow-up sampling of the drinking fountains and faucets that are used for consumptive purposes at these two facilities. This completes the initial evaluation process for all 13 schools of the Flint Community Schools. Once the Flint Community Schools has had an opportunity to incorporate the recommendations in the plumbing evaluation reports, a follow-up sampling will be scheduled to ensure that all of the issues have been properly addressed.

Evaluations of the Flint Community Schools will continue to be posted to the Flint water Web site: www.mi.gov/flintwater. These reports are being shared with Flint Community Schools Superintendent Bilal Tawwab first and then posted. So far, three reports have been posted, with the remaining reports expected to be completed by the end of January 2016.

A list of schools and childcare facilities served by the Flint water system requesting a plumbing evaluation has been created. These facilities will be contacted during the first two weeks in January to schedule a free plumbing evaluation of their facilities. The protocol used will be the same one used for the Flint Community Schools. To date, there are a total of 10 facilities that have requested a plumbing evaluation. Once these 10 facilities have been scheduled, efforts will be made to reach out to additional facilities that may wish to take advantage of this free program.

Video footage was taken on December 29, 2015, of the plumbing evaluation process and the sampling protocol of the drinking fountains and faucets at Flint Community Schools' Northwestern High School and Southwestern Classical Academy. This footage is being used to create a video that provides an easy-to-understand explanation of how the plumbing evaluations and subsequent sampling is being done in the schools. The target audience for this video is primarily the residents of Flint so that they can get a visual of the efforts already underway, but it is anticipated that this video will also be used as an instructional aid for schools elsewhere in Michigan that are interested in having their facilities evaluated.

Positions:

There are no new positions to report.

Concerns:

There are no new concerns to report.

FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGE

Flint Drinking Water Action Plan Update

Page 2

Significant Event:

On December 29, 2015, Dan Wyant resigned his position as Director of the DEQ. DNR Director Keith Creagh has been appointed Interim Director of the DEQ. Reports have been created and meetings have been scheduled to provide Director Creagh with a history of the Flint situation as well as current plans for moving forward.

Changes from Previous Report:

- The Flint water Web site has been redesigned. The old site was beginning to become cluttered and information was becoming difficult to locate. The new design provides a more user friendly interface and has a more elegant flow. It is anticipated that the redesigned Web site will go live during the week of January 4, 2016.
- The DEQ Laboratory identified a lead result as being alarmingly high. This result was conveyed to Flint Action Plan Coordinator George Krisztian so that the customer could be contacted instead of waiting for the final report to go out. Investigation of the address revealed that the sample was taken at the Whaley Children's Center. The facility was contacted, and the contact there was notified that one of the samples that they submitted was in excess of 2,500 parts per billion (ppb), or more than 160 times higher than the federally-mandated action level of 15 ppb. The contact was instructed to take measures to ensure that water from that point was not being used for consumptive purposes. Since the facility provided childcare, Mr. Krisztian described the free plumbing evaluation service available and offered to put Whaley Children's Center on the list of facilities being evaluated. The contact indicated that they would provide the information to management for consideration.
- A review of the results from the free lead testing offered to all Flint residents since November 1, 2015, show a downward trend compared to results from those prior to November 1, 2015. This can be attributed to a number of factors. The switch to using water from Detroit Water and Sewerage Department, the implementation of supplemental phosphate addition, and the colder temperatures are all possible contributing factors in this trend.

Since November 1, 2015, a total of 298 samples have been submitted and analyzed by the DEQ Laboratory. Of these samples, 248 or 83.2% show concentrations of 5 ppb or less. In addition, 279 samples or 93.6% show concentrations at or below the action level of 15 ppb.

While this data is encouraging and indicates that the Flint water supply is moving towards compliance with the Lead and Copper Rule (LCR), it is imperative to view this data cautiously. The LCR specifies what sampling points may be used for compliance purposes. The data for these samples is nonselective and

FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGE

Flint Drinking Water Action Plan Update

Page 3

potentially may not be coming from distribution points that would be allowed under the LCR. In addition, although the paperwork indicates that samples should not go through a filter, it is possible that some residents are using the free lead testing service to ensure the filters that have been provided do, in fact, remove lead.

Other Item:

Attached is a spreadsheet containing data for samples submitted by Flint residents through the free lead testing program.

Prepared by: George Krisztian, Flint Action Plan Coordinator
Laboratory Director
Department of Environmental Quality
Telephone: 517-284-6719
Cell: 517-420-5897
January 4, 2016

Home Owner Results - Samples Submitted 11-1-15 Through 12-29-15

SAMPLE NUMBER	DATE SUBMITTED	ANALYTE	RESULT	ADDRESS	ZIP CODE
LF90454	04-Nov-15	LEAD	0.000	2484 NOLEN DR	48504
LF90456	04-Nov-15	LEAD	0.000	2105 TUSCOLA ST	48503
LF90457	04-Nov-15	LEAD	0.000	1217 MAXINE	48503
LF90458	04-Nov-15	LEAD	0.000	2610 PEWANAGA PL	48507
LF90459	04-Nov-15	LEAD	0.000	2508 PIERCE ST	48503
LF90465	04-Nov-15	LEAD	0.000	3905 KELLAR AVE	48504
LF90467	04-Nov-15	LEAD	0.000	2484 NOLEN DR #2	48504
LF90468	04-Nov-15	LEAD	0.000	1680 N CHEVROLET AVE	48504
LF91271	09-Nov-15	LEAD	0.000	1419 MULBERRY LN	48507
LF91273	09-Nov-15	LEAD	0.000	1715 CRESCENT DR	48503
LF91275	09-Nov-15	LEAD	0.000	718 COLUMBIA LN	48503
LF91277	09-Nov-15	LEAD	0.000	3018 CLEMENT ST	48504
LF91278	09-Nov-15	LEAD	0.000	601 WHITE WILLOW DR	48506
LF91280	09-Nov-15	LEAD	0.000	718 COLUMBIA LN	48503
LF91281	09-Nov-15	LEAD	0.000	718 COLUMBIA LN	
LF91283	09-Nov-15	LEAD	0.000	2006 AITKEN AVE	48503
LF91285	09-Nov-15	LEAD	0.000	718 COLUMBIA LN	48503
LF91286	09-Nov-15	LEAD	0.000	3840 GLOUCESTER ST	48503
LF91290	09-Nov-15	LEAD	0.000	3841 LORRAINE AVE	48506
LF91291	09-Nov-15	LEAD	0.000	3614 ALDON LN	48506
LF92698	18-Nov-15	LEAD	0.000	2101 WINDEMERE AVE	48503
LF92699	18-Nov-15	LEAD	0.000	1963 LAUREL OAK DR	48507
LF92702	18-Nov-15	LEAD	0.000	6622 ELMRIDGE DR	
LF92705	18-Nov-15	LEAD	0.000	2438 MISSOURI AVE	48506
LF92712	18-Nov-15	LEAD	0.000	418 E BALTIMORE BLVD	48505
LF92713	18-Nov-15	LEAD	0.000	2101 WINDEMERE AVE	48503
LF92715	18-Nov-15	LEAD	0.000	313 E LYNDON AVE	48505
LF92719	18-Nov-15	LEAD	0.000	4236 KELLAR AVE	48504
LF92722	18-Nov-15	LEAD	0.000	1043 PINEHURST AVE	48507
LF92724	18-Nov-15	LEAD	0.000	822 W HEMPHILL RD	48507
LF92725	18-Nov-15	LEAD	0.000	6310 FLEMING RD	48504
LF92726	18-Nov-15	LEAD	0.000	3245 MONTANA AVE	48506
LF92727	18-Nov-15	LEAD	0.000	1602 S FRANKLIN AVE	48503
LF92728	18-Nov-15	LEAD	0.000	4117 TRUMBULL AVE	
LF92729	18-Nov-15	LEAD	0.000	3302 GRATIOT AVE	48503
LF92730	18-Nov-15	LEAD	0.000	3230 COLORADO	48506
LF92735	18-Nov-15	LEAD	0.000	1326 BEARD ST	
LF92736	18-Nov-15	LEAD	0.000	1214 KENSINGTON AVE	48503
LF92737	18-Nov-15	LEAD	0.000	800 E COURT ST #134	48503
LF92738	18-Nov-15	LEAD	0.000	555 S SAGINAW ST STE 201	48502

Home Owner Results - Samples Submitted 11-1-15 Through 12-29-15

SAMPLE NUMBER	DATE SUBMITTED	ANALYTE	RESULT	ADDRESS	ZIP CODE
LF93550	24-Nov-15	LEAD	0.000	318 BUCKINGHAM AVE/FILTER	48505
LF93554	24-Nov-15	LEAD	0.000	2101 STEDRON ST	48504
LF93561	24-Nov-15	LEAD	0.000	1410 BLUEBERRY LN/6	48507
LF93567	24-Nov-15	LEAD	0.000	6211 OXLEY (MAIL 6201 OXLEY)	
LF93568	24-Nov-15	LEAD	0.000	6201 OXLEY DR	48504
LF93569	24-Nov-15	LEAD	0.000	607 EAST ST APT 3 (A)	48503
LF93570	24-Nov-15	LEAD	0.000	3913 WISNER ST	48504
LF93571	24-Nov-15	LEAD	0.000		
LF93572	24-Nov-15	LEAD	0.000	3510 YALE ST	
LF93573	24-Nov-15	LEAD	0.000	1825 OWEN ST	48503
LF93577	24-Nov-15	LEAD	0.000	3306 BARTH ST	
LF93578	24-Nov-15	LEAD	0.000	1608 BROAD COURT	48503
LF93580	24-Nov-15	LEAD	0.000	312 BUCKINGHAM AVE	48507
LF93586	24-Nov-15	LEAD	0.000	429 CHAVEZ DR (NORTH BOUND)	48503
LF93589	24-Nov-15	LEAD	0.000	916 HUBBARD AVE	48503
LF93591	24-Nov-15	LEAD	0.000	3221 WYOMING AVE	48506
LF93592	24-Nov-15	LEAD	0.000	810 MAC DONALD AVE	48507
LF93593	24-Nov-15	LEAD	0.000	613 E ATHERTON	48507
LF93594	24-Nov-15	LEAD	0.000	700 E COURT ST #303	48503
LF93595	24-Nov-15	LEAD	0.000	4311 OGEMA	48507
LF94259	02-Dec-15	LEAD	0.000	2833 COMANCHE AVE	
LF94263	02-Dec-15	LEAD	0.000	3515 SUNSET DR	48503
LF94265	02-Dec-15	LEAD	0.000	3125 MONTANA AVE	48506
LF94269	02-Dec-15	LEAD	0.000	2833 COMANCHE AVE	
LF94270	02-Dec-15	LEAD	0.000	1920 COLCHESTER RD	48503
LF94272	02-Dec-15	LEAD	0.000	2954 CONCORD ST	48504
LF94280	02-Dec-15	LEAD	0.000	420 GREENFIELD AVE	48503
LF94284	02-Dec-15	LEAD	0.000	1201 N GRAND TRAVERSE #V4	48503
LF94285	02-Dec-15	LEAD	0.000	1201 N GRAND TRAVERSE V2	48503
LF94286	02-Dec-15	LEAD	0.000	1201 N GRAND TRAVERSE #V3	48503
LF94287	02-Dec-15	LEAD	0.000	1802 CARMEN BROOK PKY	48507
LF94288	02-Dec-15	LEAD	0.000	3407 LEITH ST	48506
LF94289	02-Dec-15	LEAD	0.000	3915 OGEMA	
LF94290	02-Dec-15	LEAD	0.000	3501 SHERWOOD DR	48503
LF94291	02-Dec-15	LEAD	0.000	1201 N GRAND TRAVERS J3	48503
LF94293	02-Dec-15	LEAD	0.000	1201 NORTH GRAND TRAVERSE #1	48503
LF94294	02-Dec-15	LEAD	0.000	1201 N GRAND TRAVERSE #2	48503
LF94296	02-Dec-15	LEAD	0.000	3109 BEECHER RD	48503
LF94299	02-Dec-15	LEAD	0.000	1201 N GRAND TRAVERSE #V1	48503
LF94301	02-Dec-15	LEAD	0.000	1802 CARMENBROOK PKY	48507

Home Owner Results - Samples Submitted 11-1-15 Through 12-29-15

SAMPLE NUMBER	DATE SUBMITTED	ANALYTE	RESULT	ADDRESS	ZIP CODE
LF94303	02-Dec-15	LEAD	0.000	346 ALLENDALE PLACE	48503
LF94304	02-Dec-15	LEAD	0.000	412 SHEFFIELD AVE	
LF95909	10-Dec-15	LEAD	0.000	2761 CHICAGO BLVD	48503
LF95910	10-Dec-15	LEAD	0.000	3401 MILLER RD	48503
LF95912	10-Dec-15	LEAD	0.000	1606 BARBARA DR	48504
LF95916	10-Dec-15	LEAD	0.000	4018 PARK FOREST DR	48507
LF95921	10-Dec-15	LEAD	0.000	3602 MILBOURNE AVE	48504
LF95923	10-Dec-15	LEAD	0.000	1001 BEARD ST	48503
LF95925	10-Dec-15	LEAD	0.000	3822 W COURT ST	48532
LF95926	10-Dec-15	LEAD	0.000	1901 CASTLE LN	48504
LF95928	10-Dec-15	LEAD	0.000	665 E HEMPHILL RD	48507
LF95930	10-Dec-15	LEAD	0.000	2201 KANSAS ST	48506
LF95932	10-Dec-15	LEAD	0.000	214 W FOSS	48
LF97319	18-Dec-15	LEAD	0.000	3505 COMANCHE AVE	48507
LF97320	18-Dec-15	LEAD	0.000	4509 TRUMBULL DR	48504
LF97321	18-Dec-15	LEAD	0.000	1604 E COURT	48503
LF97322	18-Dec-15	LEAD	0.000	1302 BARNEY AVE	48503
LF97324	18-Dec-15	LEAD	0.000	1925 HASLER ST	48503
LF97326	18-Dec-15	LEAD	0.000	2201 HILLS ST	48503
LF97332	18-Dec-15	LEAD	0.000	6709 COLONIAL DR	48505
LF97333	18-Dec-15	LEAD	0.000	3921 BRANCH RD	48506
LF97335	18-Dec-15	LEAD	0.000	505 EAST ST	48503
LF97336	18-Dec-15	LEAD	0.000	1925 HOSLER ST	48503
LF97337	18-Dec-15	LEAD	0.000	106 E PIPER AVE	48505
LF97338	18-Dec-15	LEAD	0.000	1013 BLANCHARD	48503
LF97339	18-Dec-15	LEAD	0.000	209 S CUMBERLAND ST	
LF97341	18-Dec-15	LEAD	0.000	2014 HILLS ST	
LF97345	18-Dec-15	LEAD	0.000	5366 OAK TREE CT	48532
LF97348	18-Dec-15	LEAD	0.000	4202 CIRCLE DR	48507
LF97919	29-Dec-15	LEAD	0.000	532 S VERNON AVE	48503
LF97921	29-Dec-15	LEAD	0.000	3901 CHEYENNE AVE	48507
LF97926	29-Dec-15	LEAD	0.000	1223 BENNETT AVE	48506
LF97928	29-Dec-15	LEAD	0.000	3123 CHAMBERS ST	48507
LF97929	29-Dec-15	LEAD	0.000	2101 STEDRON	48504
LF97930	29-Dec-15	LEAD	0.000	5838 EDGAR HOLT DR	
LF97931	29-Dec-15	LEAD	0.000	5838 EDGAR HOLT	48505
LF97932	29-Dec-15	LEAD	0.000	7002 PEMBERTON DR	
LF97933	29-Dec-15	LEAD	0.000	7002 PEMBERTON DR BLDG 15	
LF97934	29-Dec-15	LEAD	0.000	4060 M L KING APT 11	48505
LF97936	29-Dec-15	LEAD	0.000	5838 EDGAR HOLT	48505

Home Owner Results - Samples Submitted 11-1-15 Through 12-29-15

SAMPLE NUMBER	DATE SUBMITTED	ANALYTE	RESULT	ADDRESS	ZIP CODE
LF97937	29-Dec-15	LEAD	0.000	906 GARLAND ST	48503
LF97940	29-Dec-15	LEAD	0.000	5838 EDGAR HOLT DR	
LF97941	29-Dec-15	LEAD	0.000	454 DOUGHERTY PL	48504
LF97942	29-Dec-15	LEAD	0.000	1201 N GRAND TRAVERSE N	
LF97944	29-Dec-15	LEAD	0.000	3123 CHAMBERS ST (BRITA)	48507
LF97947	29-Dec-15	LEAD	0.000	2510 NEBRASKA AVE	48506
LF97951	29-Dec-15	LEAD	0.000	902 E COURT #308 RICHERT MANOR	
LF97953	29-Dec-15	LEAD	0.000	5838 EDGAR HOLT	
LF97956	29-Dec-15	LEAD	0.000	3800 RICHFIELD RD	
LF97958	29-Dec-15	LEAD	0.000	5838 EDGAR HOLT DR	48505
LF97960	29-Dec-15	LEAD	0.000	7002 PEMBERTON DR BLDG 29	48505
LF97966	29-Dec-15	LEAD	0.000	2200 N DORT HWY	48507
LF97967	29-Dec-15	LEAD	0.000	2200 N DORT HWY	48507
LF97968	29-Dec-15	LEAD	0.000	3930 HERRICK ST	
LF97969	29-Dec-15	LEAD	0.000	5709 OXLEY DR	
LF97973	29-Dec-15	LEAD	0.000	605 JOSEPHINE	
LF97982	29-Dec-15	LEAD	0.000	2610 M L KING SALEM LUTHERAN	
LF91269	09-Nov-15	LEAD	0.001	2937 CONCORD ST	48504
LF91282	09-Nov-15	LEAD	0.001	726 W DARTMOUTH ST	48505
LF91284	09-Nov-15	LEAD	0.001	210 W STEWART AVE	48505
LF92700	18-Nov-15	LEAD	0.001	317 BEDE ST	48507
LF92701	18-Nov-15	LEAD	0.001	4629 MILTON DR	48507
LF92703	18-Nov-15	LEAD	0.001	6626 ELMRIDGE DR	48505
LF92706	18-Nov-15	LEAD	0.001	532 BURROUGHS AVE	48507
LF92711	18-Nov-15	LEAD	0.001	3826 BROWN ST	48532
LF92714	18-Nov-15	LEAD	0.001	4515 OGEMA	48507
LF93581	24-Nov-15	LEAD	0.001	3701 DAKOTA AVE	485
LF93582	24-Nov-15	LEAD	0.001	3312 BENNETT AVE	48506
LF93588	24-Nov-15	LEAD	0.001	1406 BLUEBERRY LN	48507
LF94267	02-Dec-15	LEAD	0.001	3210 NORWOOD DR	
LF94275	02-Dec-15	LEAD	0.001	2806 THOMAS ST	48504
LF94278	02-Dec-15	LEAD	0.001	3406 DEARBORN AVE	48507
LF94281	02-Dec-15	LEAD	0.001	707 ALGONQUIN AVE	48507
LF94283	02-Dec-15	LEAD	0.001	2954 CONCORD ST	48504
LF94298	02-Dec-15	LEAD	0.001	1819 FRANCIS AVE	48505
LF95920	10-Dec-15	LEAD	0.001	1221 BARNEY	48503
LF95935	10-Dec-15	LEAD	0.001	3320 MILLER RD	48503
LF97318	18-Dec-15	LEAD	0.001	2313 HILLS STREET	48503
LF97325	18-Dec-15	LEAD	0.001	653 S SAGINAW #105	48502
LF97327	18-Dec-15	LEAD	0.001	912 CRAWFORD ST	

Home Owner Results - Samples Submitted 11-1-15 Through 12-29-15

SAMPLE NUMBER	DATE SUBMITTED	ANALYTE	RESULT	ADDRESS	ZIP CODE
LF97340	18-Dec-15	LEAD	0.001	3141 WYOMING AVE	
LF97343	18-Dec-15	LEAD	0.001	3614 DAKOTA AVE	48506
LF97952	29-Dec-15	LEAD	0.001	1201 N GRAND TRAVERSE	
LF97962	29-Dec-15	LEAD	0.001	1201 N GRAND TRAVERSE	48503
LF97965	29-Dec-15	LEAD	0.001	631 E ATHERTON	48507
LF90455	04-Nov-15	LEAD	0.002	1217 MAXINE	48503
LF90461	04-Nov-15	LEAD	0.002	3741 WORCHESTER DR	48503
LF91270	09-Nov-15	LEAD	0.002	915 E COURT ST #405	48503
LF91274	09-Nov-15	LEAD	0.002	4221 BROWNELL BLVD	48504
LF91288	09-Nov-15	LEAD	0.002	112 E STEWART AVE	48505
LF91289	09-Nov-15	LEAD	0.002	2601 CIRCLE DR	48507
LF92709	18-Nov-15	LEAD	0.002	3802 GREENBROOK LN	48507
LF92716	18-Nov-15	LEAD	0.002	3825 DAVISON RD	48506
LF92718	18-Nov-15	LEAD	0.002	4109 TRUMBULL AVE	48504
LF92720	18-Nov-15	LEAD	0.002	932 LYON ST	48503
LF92721	18-Nov-15	LEAD	0.002	3420 PARKSIDE DR	48503
LF92732	18-Nov-15	LEAD	0.002	1331 BEARD ST	48503
LF93563	24-Nov-15	LEAD	0.002	1616 DURAND	48503
LF93583	24-Nov-15	LEAD	0.002	4309 CUTHBERTSON	48507
LF93585	24-Nov-15	LEAD	0.002	3502 BRINTWOOD DR	48503
LF94268	02-Dec-15	LEAD	0.002	326 FERNDAL PLACE	48503
LF94274	02-Dec-15	LEAD	0.002	3914 STERLING ST	48504
LF94276	02-Dec-15	LEAD	0.002	3550 HAWTHORNE DR	48503
LF94295	02-Dec-15	LEAD	0.002	630 W ATHERTON RD	48507
LF94297	02-Dec-15	LEAD	0.002	3636 BRENTWOOD	48503
LF94300	02-Dec-15	LEAD	0.002	3623 NORWOOD DR	48503
LF95918	10-Dec-15	LEAD	0.002	2020 KANSAS	48506
LF95919	10-Dec-15	LEAD	0.002	3102 BROWNELL BLVD	48504
LF95929	10-Dec-15	LEAD	0.002	3501 HAWTHORNE DR	48
LF95934	10-Dec-15	LEAD	0.002	2564 TYRONE ST	48504
LF97316	18-Dec-15	LEAD	0.002	224 E COURT ST APT 405	49502
LF97323	18-Dec-15	LEAD	0.002	1902 S AVERILL	48507
LF97330	18-Dec-15	LEAD	0.002		
LF97344	18-Dec-15	LEAD	0.002	732 VERMILYA AVE	
LF97950	29-Dec-15	LEAD	0.002	1201 N GRAND TRAVERSE	
LF97955	29-Dec-15	LEAD	0.002	3123 CHAMBERS ST	
LF97974	29-Dec-15	LEAD	0.002	2302 MOUNTAIN AVE	48503
LF90466	04-Nov-15	LEAD	0.003	1670 DUPONT ST	48504
LF91287	09-Nov-15	LEAD	0.003	218 W STEWART AVE	48505
LF92697	18-Nov-15	LEAD	0.003	325 BEDE ST	48507

Home Owner Results - Samples Submitted 11-1-15 Through 12-29-15

SAMPLE NUMBER	DATE SUBMITTED	ANALYTE	RESULT	ADDRESS	ZIP CODE
LF92707	18-Nov-15	LEAD	0.003	3825 DAVISON RD #2	48506
LF92708	18-Nov-15	LEAD	0.003	1914 MILLER RD	48503
LF92717	18-Nov-15	LEAD	0.003	3816 PARK FOREST DR	
LF92723	18-Nov-15	LEAD	0.003	509 WELLER ST	48504
LF93551	24-Nov-15	LEAD	0.003	318 BUCKINGHAM AVE (#2)	48507
LF93557	24-Nov-15	LEAD	0.003	1302 BLANCHARD AVE	48503
LF93579	24-Nov-15	LEAD	0.003	1807 WOODLIN DR	48504
LF94264	02-Dec-15	LEAD	0.003	322 FERNDAL PLACE	48503
LF94266	02-Dec-15	LEAD	0.003	1402 EAST COURT ST	48503
LF94273	02-Dec-15	LEAD	0.003	1801 SENECA ST	48504
LF94292	02-Dec-15	LEAD	0.003	2721 COVENTRY CT	48503
LF95913	10-Dec-15	LEAD	0.003	2702 MACKIN RD	48504
LF95924	10-Dec-15	LEAD	0.003	429 BURROUGHS AVE	48507
LF97317	18-Dec-15	LEAD	0.003	1521 BROOKWOOD DR	48503
LF97329	18-Dec-15	LEAD	0.003	1102 SOUTH DR	48503
LF97334	18-Dec-15	LEAD	0.003	224 E COURT APT 107	48502
LF97918	29-Dec-15	LEAD	0.003	1839 OAK BROOK CIR	
LF97925	29-Dec-15	LEAD	0.003	1223 BENNETT AVE	
LF97939	29-Dec-15	LEAD	0.003	1201 N GRAND TRAVERSE B	48503
LF97948	29-Dec-15	LEAD	0.003	3800 RICHFIELD RD #513	
LF97959	29-Dec-15	LEAD	0.003	1201 N GRAND TRAVERSE	48503
LF97977	29-Dec-15	LEAD	0.003	605 JOSEPHINE	
LF97983	29-Dec-15	LEAD	0.003	2302 MOUNTAIN AVE	48503
LF90460	04-Nov-15	LEAD	0.004	3510 ROBIN ST	48505
LF90463	04-Nov-15	LEAD	0.004	1014 BARRINGTON DR	
LF92704	18-Nov-15	LEAD	0.004	2020 CROOKED LN	48503
LF92731	18-Nov-15	LEAD	0.004	919 GLADWYN ST/MAIL TO 3302	48504
LF93564	24-Nov-15	LEAD	0.004	1410 BLUEBERRY LN/5	48507
LF93574	24-Nov-15	LEAD	0.004	3709 CIRCLE DR	48507
LF94302	02-Dec-15	LEAD	0.004	1934 CAMBRIDGE AVE	48503
LF95917	10-Dec-15	LEAD	0.004	3748 GLOUCESTER	
LF95922	10-Dec-15	LEAD	0.004	1909 WABASH	48505
LF97957	29-Dec-15	LEAD	0.004	1201 N GRAND TRAVERSE	
LF97963	29-Dec-15	LEAD	0.004	1230 DUPONT ST	
LF97964	29-Dec-15	LEAD	0.004	2380 NOLEN DR	48504
LF97981	29-Dec-15	LEAD	0.004	2610 M L KING AVE SALEM LUTHERAN	
LF91276	09-Nov-15	LEAD	0.005	746 S SAGINAW ST	48502
LF92710	18-Nov-15	LEAD	0.005	1262 GRACELAWN	48505
LF93556	24-Nov-15	LEAD	0.005	1410 BLUEBERRY LN/3	48507
LF93558	24-Nov-15	LEAD	0.005	318 BUCKINGHAM AVE #5	48507

Home Owner Results - Samples Submitted 11-1-15 Through 12-29-15

SAMPLE NUMBER	DATE SUBMITTED	ANALYTE	RESULT	ADDRESS	ZIP CODE
LF93559	24-Nov-15	LEAD	0.005	318 BUCKINGHAM #1	
LF93562	24-Nov-15	LEAD	0.005	1410 BLUEBERRY LN/4	48507
LF94261	02-Dec-15	LEAD	0.005	314 WESTCOMBE AVE	48503
LF94279	02-Dec-15	LEAD	0.005	1202 BEARD ST	48503
LF95911	10-Dec-15	LEAD	0.005	2821 BRANDON ST	48503
LF95914	10-Dec-15	LEAD	0.005	3517 MILLER RD	48503
LF97346	18-Dec-15	LEAD	0.005	1926 CAMBRIDGE AVE	48503
LF97949	29-Dec-15	LEAD	0.005	1926 HOWARD AVE BLDG 11	
LF90462	04-Nov-15	LEAD	0.006	2621 DELAWARE AVE	48506
LF92734	18-Nov-15	LEAD	0.006	1320 BEARD ST	48503
LF93555	24-Nov-15	LEAD	0.006	1410 BLUEBERRY LN/2	48507
LF94262	02-Dec-15	LEAD	0.006	629 ROOME CT	48503
LF95931	10-Dec-15	LEAD	0.006	213 FOSS AVE	48505
LF97943	29-Dec-15	LEAD	0.006	801 FLORAL PARK	
LF93587	24-Nov-15	LEAD	0.007	2020 MILLER RD	48503
LF93566	24-Nov-15	LEAD	0.008	2630 PARKSIDE DR	
LF93576	24-Nov-15	LEAD	0.008	KITCHEN	48504
LF93590	24-Nov-15	LEAD	0.008	3113 ARIZONA AVE	48506
LF94282	02-Dec-15	LEAD	0.008	620 LINCOLN	58507
LF97328	18-Dec-15	LEAD	0.008	1201 ALVORD AVE	48507
LF97331	18-Dec-15	LEAD	0.008	2830 EPSILON TRAIL	
LF97347	18-Dec-15	LEAD	0.008	119 GRACE ST	48503
LF97923	29-Dec-15	LEAD	0.008	1201 N GRAND TRAVERSE	48503
LF97971	29-Dec-15	LEAD	0.008	2610 ML KING AVE	
LF93553	24-Nov-15	LEAD	0.009	318 BUCKINGHAM #4	48507
LF95915	10-Dec-15	LEAD	0.009	2013 E COURT ST	48503
LF97342	18-Dec-15	LEAD	0.009	415 W 2ND STREET	
LF97922	29-Dec-15	LEAD	0.009	1201 N GRAND TRAVERSE	48503
LF97946	29-Dec-15	LEAD	0.009	1201 N GRAND TRAVERSE O	
LF94277	02-Dec-15	LEAD	0.010	3401 LEITH ST	48506
LF95927	10-Dec-15	LEAD	0.011	720 COMMONWEALTH AVE	48503
LF97349	18-Dec-15	LEAD	0.011	906 MARQUETTE ST	48504
LF97920	29-Dec-15	LEAD	0.011	1918 LEITH ST	48506
LF97978	29-Dec-15	LEAD	0.011	2005 BARTH ST	48504
LF94271	02-Dec-15	LEAD	0.012	314 FERNDAL	48503
LF95933	10-Dec-15	LEAD	0.012	3014 CHEYENNE AVE	48507
LF97927	29-Dec-15	LEAD	0.012	1201 N GRAND TRAVERSE	
LF97980	29-Dec-15	LEAD	0.012	2610 M L KING SALEM LUTHERAN	48505
LF97976	29-Dec-15	LEAD	0.015	2610 M L KING AVE	48505
LF95908	10-Dec-15	LEAD	0.017	2030 FERRIS AVE	48503

Home Owner Results - Samples Submitted 11-1-15 Through 12-29-15

SAMPLE NUMBER	DATE SUBMITTED	ANALYTE	RESULT	ADDRESS	ZIP CODE
LF97938	29-Dec-15	LEAD	0.017	1201 N GRAND TRAVERSE	48503
LF93575	24-Nov-15	LEAD	0.018	428 CRAPO	
LF93565	24-Nov-15	LEAD	0.022	1014 DELL AVE	48507
LF97961	29-Dec-15	LEAD	0.022	7002 PEMBERTON DR BLDG 2	48505
LF90464	04-Nov-15	LEAD	0.027	UNKNOWN	
LF93560	24-Nov-15	LEAD	0.028	1410 BLUEBERRY LN/1	48507
LF97935	29-Dec-15	LEAD	0.029	1201 N GRAND TRAVERSE E	48503
LF94260	02-Dec-15	LEAD	0.030	402 ALLENDALE PL	48503
LF91279	09-Nov-15	LEAD	0.033	227 E ALMA AVE	48505
LF92733	18-Nov-15	LEAD	0.036	1134 SIMCOE AVE	48507
LF97351	18-Dec-15	LEAD	0.040	1642 BELLE AVE	48506
LF97350	18-Dec-15	LEAD	0.041	1918 LEITH 1	48506
LF93552	24-Nov-15	LEAD	0.042	318 BUCKINGHAM #3	48507
LF97924	29-Dec-15	LEAD	0.042	1201 N GRAND TRAVERSE	48503
LF91272	09-Nov-15	LEAD	0.050	1426 MAPLEWOOD AVE	48506
LF93584	24-Nov-15	LEAD	0.055	2521 TRUMBULL AVE	48504
LF97954	29-Dec-15	LEAD	0.213	1201 N GRAND TRAVERS	48505
LF97945	29-Dec-15	LEAD	2.516	1201 N GRAND TRAVERSE	

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Message

From: Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=BEDAN MORGAN683]
Sent: 1/5/2016 9:43:17 PM
To: Snyder, Rick (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=REDACTED]
CC: Scott, Allison (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Scotta12]; Clement, Elizabeth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Clemente]; Agen, Jarrod (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Agen Jarrod9ea]; Emmitt, Beth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Emmittb]; Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bedan Morgan683]; Utley, Corey (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=UtleyC]; Dickinson, Sarah (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Dickinson Sarah4ab]
Subject: January 6 Daily Briefing
Attachments: REDACTED 160106 Daily Briefing.pdf

Governor,

Attached is your Daily Briefing for January 6. The briefing contains:

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For Review

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- Flint Water Update – Pages 31 – 41

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Please let us know if you have any questions.

Thank you,

Morgan

Attachment Redacted as Irrelevant

Daily Briefing

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Flint Drinking Water Action Plan Update

FOIA EXEMPT AND ATTORNEY-CLIENT PRIVILEGE

Key Actions:

On December 28-29, 2015, staff from the DEQ and DLARA conducted the formal plumbing evaluation of Flint Community Schools' Northwestern High School and Southwestern Classical Academy. On December 29-30 staff from DEQ and DLARA then performed the follow-up sampling of the drinking fountains and faucets that are used for consumptive purposes at these two facilities. This completes the initial evaluation process for all 13 schools of the Flint Community Schools. Once the Flint Community Schools has had an opportunity to incorporate the recommendations in the plumbing evaluation reports, a follow-up sampling will be scheduled to ensure that all of the issues have been properly addressed.

Evaluations of the Flint Community Schools will continue to be posted to the Flint water Web site: www.mi.gov/flintwater. These reports are being shared with Flint Community Schools Superintendent Bilal Tawwab first and then posted. So far, three reports have been posted, with the remaining reports expected to be completed by the end of January 2016.

A list of schools and childcare facilities served by the Flint water system requesting a plumbing evaluation has been created. These facilities will be contacted during the first two weeks in January to schedule a free plumbing evaluation of their facilities. The protocol used will be the same one used for the Flint Community Schools. To date, there are a total of 10 facilities that have requested a plumbing evaluation. Once these 10 facilities have been scheduled, efforts will be made to reach out to additional facilities that may wish to take advantage of this free program.

Video footage was taken on December 29, 2015, of the plumbing evaluation process and the sampling protocol of the drinking fountains and faucets at Flint Community Schools' Northwestern High School and Southwestern Classical Academy. This footage is being used to create a video that provides an easy-to-understand explanation of how the plumbing evaluations and subsequent sampling is being done in the schools. The target audience for this video is primarily the residents of Flint so that they can get a visual of the efforts already underway, but it is anticipated that this video will also be used as an instructional aid for schools elsewhere in Michigan that are interested in having their facilities evaluated.

Positions:

There are no new positions to report.

Concerns:

There are no new concerns to report.

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Significant Event:

On December 29, 2015, Dan Wyant resigned his position as Director of the DEQ. DNR Director Keith Creagh has been appointed Interim Director of the DEQ. Reports have been created and meetings have been scheduled to provide Director Creagh with a history of the Flint situation as well as current plans for moving forward.

Changes from Previous Report:

- The Flint water Web site has been redesigned. The old site was beginning to become cluttered and information was becoming difficult to locate. The new design provides a more user friendly interface and has a more elegant flow. It is anticipated that the redesigned Web site will go live during the week of January 4, 2016.
- The DEQ Laboratory identified a lead result as being alarmingly high. This result was conveyed to Flint Action Plan Coordinator George Krisztian so that the customer could be contacted instead of waiting for the final report to go out. Investigation of the address revealed that the sample was taken at the Whaley Children's Center. The facility was contacted, and the contact there was notified that one of the samples that they submitted was in excess of 2,500 parts per billion (ppb), or more than 160 times higher than the federally-mandated action level of 15 ppb. The contact was instructed to take measures to ensure that water from that point was not being used for consumptive purposes. Since the facility provided childcare, Mr. Krisztian described the free plumbing evaluation service available and offered to put Whaley Children's Center on the list of facilities being evaluated. The contact indicated that they would provide the information to management for consideration.
- A review of the results from the free lead testing offered to all Flint residents since November 1, 2015, show a downward trend compared to results from those prior to November 1, 2015. This can be attributed to a number of factors. The switch to using water from Detroit Water and Sewerage Department, the implementation of supplemental phosphate addition, and the colder temperatures are all possible contributing factors in this trend.

Since November 1, 2015, a total of 298 samples have been submitted and analyzed by the DEQ Laboratory. Of these samples, 248 or 83.2% show concentrations of 5 ppb or less. In addition, 279 samples or 93.6% show concentrations at or below the action level of 15 ppb.

While this data is encouraging and indicates that the Flint water supply is moving towards compliance with the Lead and Copper Rule (LCR), it is imperative to view this data cautiously. The LCR specifies what sampling points may be used for compliance purposes. The data for these samples is nonselective and

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potentially may not be coming from distribution points that would be allowed under the LCR. In addition, although the paperwork indicates that samples should not go through a filter, it is possible that some residents are using the free lead testing service to ensure the filters that have been provided do, in fact, remove lead.

Other Item:

Attached is a spreadsheet containing data for samples submitted by Flint residents through the free lead testing program.

Prepared by: George Krisztian, Flint Action Plan Coordinator
Laboratory Director
Department of Environmental Quality
Telephone: 517-284-6719
Cell: [REDACTED]
January 4, 2016

Home Owner Results - Samples Submitted 11-1-15 Through 12-29-15

SAMPLE NUMBER	DATE SUBMITTED	ANALYTE	RESULT	ADDRESS	ZIP CODE
LF90454	04-Nov-15	LEAD	0.000	2484 NOLEN DR	48504
LF90456	04-Nov-15	LEAD	0.000	2105 TUSCOLA ST	48503
LF90457	04-Nov-15	LEAD	0.000	1217 MAXINE	48503
LF90458	04-Nov-15	LEAD	0.000	2610 PEWANAGA PL	48507
LF90459	04-Nov-15	LEAD	0.000	2508 PIERCE ST	48503
LF90465	04-Nov-15	LEAD	0.000	3905 KELLAR AVE	48504
LF90467	04-Nov-15	LEAD	0.000	2484 NOLEN DR #2	48504
LF90468	04-Nov-15	LEAD	0.000	1680 N CHEVROLET AVE	48504
LF91271	09-Nov-15	LEAD	0.000	1419 MULBERRY LN	48507
LF91273	09-Nov-15	LEAD	0.000	1715 CRESCENT DR	48503
LF91275	09-Nov-15	LEAD	0.000	718 COLUMBIA LN	48503
LF91277	09-Nov-15	LEAD	0.000	3018 CLEMENT ST	48504
LF91278	09-Nov-15	LEAD	0.000	601 WHITE WILLOW DR	48506
LF91280	09-Nov-15	LEAD	0.000	718 COLUMBIA LN	48503
LF91281	09-Nov-15	LEAD	0.000	718 COLUMBIA LN	
LF91283	09-Nov-15	LEAD	0.000	2006 AITKEN AVE	48503
LF91285	09-Nov-15	LEAD	0.000	718 COLUMBIA LN	48503
LF91286	09-Nov-15	LEAD	0.000	3840 GLOUCESTER ST	48503
LF91290	09-Nov-15	LEAD	0.000	3841 LORRAINE AVE	48506
LF91291	09-Nov-15	LEAD	0.000	3614 ALDON LN	48506
LF92698	18-Nov-15	LEAD	0.000	2101 WINDEMERE AVE	48503
LF92699	18-Nov-15	LEAD	0.000	1963 LAUREL OAK DR	48507
LF92702	18-Nov-15	LEAD	0.000	6622 ELMRIDGE DR	
LF92705	18-Nov-15	LEAD	0.000	2438 MISSOURI AVE	48506
LF92712	18-Nov-15	LEAD	0.000	418 E BALTIMORE BLVD	48505
LF92713	18-Nov-15	LEAD	0.000	2101 WINDEMERE AVE	48503
LF92715	18-Nov-15	LEAD	0.000	313 E LYNDON AVE	48505
LF92719	18-Nov-15	LEAD	0.000	4236 KELLAR AVE	48504
LF92722	18-Nov-15	LEAD	0.000	1043 PINEHURST AVE	48507
LF92724	18-Nov-15	LEAD	0.000	822 W HEMPHILL RD	48507
LF92725	18-Nov-15	LEAD	0.000	6310 FLEMING RD	48504
LF92726	18-Nov-15	LEAD	0.000	3245 MONTANA AVE	48506
LF92727	18-Nov-15	LEAD	0.000	1602 S FRANKLIN AVE	48503
LF92728	18-Nov-15	LEAD	0.000	4117 TRUMBULL AVE	
LF92729	18-Nov-15	LEAD	0.000	3302 GRATIOT AVE	48503
LF92730	18-Nov-15	LEAD	0.000	3230 COLORADO	48506
LF92735	18-Nov-15	LEAD	0.000	1326 BEARD ST	
LF92736	18-Nov-15	LEAD	0.000	1214 KENSINGTON AVE	48503
LF92737	18-Nov-15	LEAD	0.000	800 E COURT ST #134	48503
LF92738	18-Nov-15	LEAD	0.000	555 S SAGINAW ST STE 201	48502

Home Owner Results - Samples Submitted 11-1-15 Through 12-29-15

SAMPLE NUMBER	DATE SUBMITTED	ANALYTE	RESULT	ADDRESS	ZIP CODE
LF93550	24-Nov-15	LEAD	0.000	318 BUCKINGHAM AVE/FILTER	48505
LF93554	24-Nov-15	LEAD	0.000	2101 STEDRON ST	48504
LF93561	24-Nov-15	LEAD	0.000	1410 BLUEBERRY LN/6	48507
LF93567	24-Nov-15	LEAD	0.000	6211 OXLEY (MAIL 6201 OXLEY)	
LF93568	24-Nov-15	LEAD	0.000	6201 OXLEY DR	48504
LF93569	24-Nov-15	LEAD	0.000	607 EAST ST APT 3 (A)	48503
LF93570	24-Nov-15	LEAD	0.000	3913 WISNER ST	48504
LF93571	24-Nov-15	LEAD	0.000		
LF93572	24-Nov-15	LEAD	0.000	3510 YALE ST	
LF93573	24-Nov-15	LEAD	0.000	1825 OWEN ST	48503
LF93577	24-Nov-15	LEAD	0.000	3306 BARTH ST	
LF93578	24-Nov-15	LEAD	0.000	1608 BROAD COURT	48503
LF93580	24-Nov-15	LEAD	0.000	312 BUCKINGHAM AVE	48507
LF93586	24-Nov-15	LEAD	0.000	429 CHAVEZ DR (NORTH BOUND)	48503
LF93589	24-Nov-15	LEAD	0.000	916 HUBBARD AVE	48503
LF93591	24-Nov-15	LEAD	0.000	3221 WYOMING AVE	48506
LF93592	24-Nov-15	LEAD	0.000	810 MAC DONALD AVE	48507
LF93593	24-Nov-15	LEAD	0.000	613 E ATHERTON	48507
LF93594	24-Nov-15	LEAD	0.000	700 E COURT ST #303	48503
LF93595	24-Nov-15	LEAD	0.000	4311 OGEMA	48507
LF94259	02-Dec-15	LEAD	0.000	2833 COMANCHE AVE	
LF94263	02-Dec-15	LEAD	0.000	3515 SUNSET DR	48503
LF94265	02-Dec-15	LEAD	0.000	3125 MONTANA AVE	48506
LF94269	02-Dec-15	LEAD	0.000	2833 COMANCHE AVE	
LF94270	02-Dec-15	LEAD	0.000	1920 COLCHESTER RD	48503
LF94272	02-Dec-15	LEAD	0.000	2954 CONCORD ST	48504
LF94280	02-Dec-15	LEAD	0.000	420 GREENFIELD AVE	48503
LF94284	02-Dec-15	LEAD	0.000	1201 N GRAND TRAVERSE #V4	48503
LF94285	02-Dec-15	LEAD	0.000	1201 N GRAND TRAVERSE V2	48503
LF94286	02-Dec-15	LEAD	0.000	1201 N GRAND TRAVERSE #V3	48503
LF94287	02-Dec-15	LEAD	0.000	1802 CARMEN BROOK PKY	48507
LF94288	02-Dec-15	LEAD	0.000	3407 LEITH ST	48506
LF94289	02-Dec-15	LEAD	0.000	3915 OGEMA	
LF94290	02-Dec-15	LEAD	0.000	3501 SHERWOOD DR	48503
LF94291	02-Dec-15	LEAD	0.000	1201 N GRAND TRAVERS J3	48503
LF94293	02-Dec-15	LEAD	0.000	1201 NORTH GRAND TRAVERSE #1	48503
LF94294	02-Dec-15	LEAD	0.000	1201 N GRAND TRAVERSE #2	48503
LF94296	02-Dec-15	LEAD	0.000	3109 BEECHER RD	48503
LF94299	02-Dec-15	LEAD	0.000	1201 N GRAND TRAVERSE #V1	48503
LF94301	02-Dec-15	LEAD	0.000	1802 CARMENBROOK PKY	48507

Home Owner Results - Samples Submitted 11-1-15 Through 12-29-15

SAMPLE NUMBER	DATE SUBMITTED	ANALYTE	RESULT	ADDRESS	ZIP CODE
LF94303	02-Dec-15	LEAD	0.000	346 ALLENDALE PLACE	48503
LF94304	02-Dec-15	LEAD	0.000	412 SHEFFIELD AVE	
LF95909	10-Dec-15	LEAD	0.000	2761 CHICAGO BLVD	48503
LF95910	10-Dec-15	LEAD	0.000	3401 MILLER RD	48503
LF95912	10-Dec-15	LEAD	0.000	1606 BARBARA DR	48504
LF95916	10-Dec-15	LEAD	0.000	4018 PARK FOREST DR	48507
LF95921	10-Dec-15	LEAD	0.000	3602 MILBOURNE AVE	48504
LF95923	10-Dec-15	LEAD	0.000	1001 BEARD ST	48503
LF95925	10-Dec-15	LEAD	0.000	3822 W COURT ST	48532
LF95926	10-Dec-15	LEAD	0.000	1901 CASTLE LN	48504
LF95928	10-Dec-15	LEAD	0.000	665 E HEMPHILL RD	48507
LF95930	10-Dec-15	LEAD	0.000	2201 KANSAS ST	48506
LF95932	10-Dec-15	LEAD	0.000	214 W FOSS	48
LF97319	18-Dec-15	LEAD	0.000	3505 COMANCHE AVE	48507
LF97320	18-Dec-15	LEAD	0.000	4509 TRUMBULL DR	48504
LF97321	18-Dec-15	LEAD	0.000	1604 E COURT	48503
LF97322	18-Dec-15	LEAD	0.000	1302 BARNEY AVE	48503
LF97324	18-Dec-15	LEAD	0.000	1925 HASLER ST	48503
LF97326	18-Dec-15	LEAD	0.000	2201 HILLS ST	48503
LF97332	18-Dec-15	LEAD	0.000	6709 COLONIAL DR	48505
LF97333	18-Dec-15	LEAD	0.000	3921 BRANCH RD	48506
LF97335	18-Dec-15	LEAD	0.000	505 EAST ST	48503
LF97336	18-Dec-15	LEAD	0.000	1925 HOSLER ST	48503
LF97337	18-Dec-15	LEAD	0.000	106 E PIPER AVE	48505
LF97338	18-Dec-15	LEAD	0.000	1013 BLANCHARD	48503
LF97339	18-Dec-15	LEAD	0.000	209 S CUMBERLAND ST	
LF97341	18-Dec-15	LEAD	0.000	2014 HILLS ST	
LF97345	18-Dec-15	LEAD	0.000	5366 OAK TREE CT	48532
LF97348	18-Dec-15	LEAD	0.000	4202 CIRCLE DR	48507
LF97919	29-Dec-15	LEAD	0.000	532 S VERNON AVE	48503
LF97921	29-Dec-15	LEAD	0.000	3901 CHEYENNE AVE	48507
LF97926	29-Dec-15	LEAD	0.000	1223 BENNETT AVE	48506
LF97928	29-Dec-15	LEAD	0.000	3123 CHAMBERS ST	48507
LF97929	29-Dec-15	LEAD	0.000	2101 STEDRON	48504
LF97930	29-Dec-15	LEAD	0.000	5838 EDGAR HOLT DR	
LF97931	29-Dec-15	LEAD	0.000	5838 EDGAR HOLT	48505
LF97932	29-Dec-15	LEAD	0.000	7002 PEMBERTON DR	
LF97933	29-Dec-15	LEAD	0.000	7002 PEMBERTON DR BLDG 15	
LF97934	29-Dec-15	LEAD	0.000	4060 M L KING APT 11	48505
LF97936	29-Dec-15	LEAD	0.000	5838 EDGAR HOLT	48505

Home Owner Results - Samples Submitted 11-1-15 Through 12-29-15

SAMPLE NUMBER	DATE SUBMITTED	ANALYTE	RESULT	ADDRESS	ZIP CODE
LF97937	29-Dec-15	LEAD	0.000	906 GARLAND ST	48503
LF97940	29-Dec-15	LEAD	0.000	5838 EDGAR HOLT DR	
LF97941	29-Dec-15	LEAD	0.000	454 DOUGHERTY PL	48504
LF97942	29-Dec-15	LEAD	0.000	1201 N GRAND TRAVERSE N	
LF97944	29-Dec-15	LEAD	0.000	3123 CHAMBERS ST (BRITA)	48507
LF97947	29-Dec-15	LEAD	0.000	2510 NEBRASKA AVE	48506
LF97951	29-Dec-15	LEAD	0.000	902 E COURT #308 RICHERT MANOR	
LF97953	29-Dec-15	LEAD	0.000	5838 EDGAR HOLT	
LF97956	29-Dec-15	LEAD	0.000	3800 RICHFIELD RD	
LF97958	29-Dec-15	LEAD	0.000	5838 EDGAR HOLT DR	48505
LF97960	29-Dec-15	LEAD	0.000	7002 PEMBERTON DR BLDG 29	48505
LF97966	29-Dec-15	LEAD	0.000	2200 N DORT HWY	48507
LF97967	29-Dec-15	LEAD	0.000	2200 N DORT HWY	48507
LF97968	29-Dec-15	LEAD	0.000	3930 HERRICK ST	
LF97969	29-Dec-15	LEAD	0.000	5709 OXLEY DR	
LF97973	29-Dec-15	LEAD	0.000	605 JOSEPHINE	
LF97982	29-Dec-15	LEAD	0.000	2610 M L KING SALEM LUTHERAN	
LF91269	09-Nov-15	LEAD	0.001	2937 CONCORD ST	48504
LF91282	09-Nov-15	LEAD	0.001	726 W DARTMOUTH ST	48505
LF91284	09-Nov-15	LEAD	0.001	210 W STEWART AVE	48505
LF92700	18-Nov-15	LEAD	0.001	317 BEDE ST	48507
LF92701	18-Nov-15	LEAD	0.001	4629 MILTON DR	48507
LF92703	18-Nov-15	LEAD	0.001	6626 ELMRIDGE DR	48505
LF92706	18-Nov-15	LEAD	0.001	532 BURROUGHS AVE	48507
LF92711	18-Nov-15	LEAD	0.001	3826 BROWN ST	48532
LF92714	18-Nov-15	LEAD	0.001	4515 OGEMA	48507
LF93581	24-Nov-15	LEAD	0.001	3701 DAKOTA AVE	485
LF93582	24-Nov-15	LEAD	0.001	3312 BENNETT AVE	48506
LF93588	24-Nov-15	LEAD	0.001	1406 BLUEBERRY LN	48507
LF94267	02-Dec-15	LEAD	0.001	3210 NORWOOD DR	
LF94275	02-Dec-15	LEAD	0.001	2806 THOMAS ST	48504
LF94278	02-Dec-15	LEAD	0.001	3406 DEARBORN AVE	48507
LF94281	02-Dec-15	LEAD	0.001	707 ALGONQUIN AVE	48507
LF94283	02-Dec-15	LEAD	0.001	2954 CONCORD ST	48504
LF94298	02-Dec-15	LEAD	0.001	1819 FRANCIS AVE	48505
LF95920	10-Dec-15	LEAD	0.001	1221 BARNEY	48503
LF95935	10-Dec-15	LEAD	0.001	3320 MILLER RD	48503
LF97318	18-Dec-15	LEAD	0.001	2313 HILLS STREET	48503
LF97325	18-Dec-15	LEAD	0.001	653 S SAGINAW #105	48502
LF97327	18-Dec-15	LEAD	0.001	912 CRAWFORD ST	

Home Owner Results - Samples Submitted 11-1-15 Through 12-29-15

SAMPLE NUMBER	DATE SUBMITTED	ANALYTE	RESULT	ADDRESS	ZIP CODE
LF97340	18-Dec-15	LEAD	0.001	3141 WYOMING AVE	
LF97343	18-Dec-15	LEAD	0.001	3614 DAKOTA AVE	48506
LF97952	29-Dec-15	LEAD	0.001	1201 N GRAND TRAVERSE	
LF97962	29-Dec-15	LEAD	0.001	1201 N GRAND TRAVERSE	48503
LF97965	29-Dec-15	LEAD	0.001	631 E ATHERTON	48507
LF90455	04-Nov-15	LEAD	0.002	1217 MAXINE	48503
LF90461	04-Nov-15	LEAD	0.002	3741 WORCHESTER DR	48503
LF91270	09-Nov-15	LEAD	0.002	915 E COURT ST #405	48503
LF91274	09-Nov-15	LEAD	0.002	4221 BROWNELL BLVD	48504
LF91288	09-Nov-15	LEAD	0.002	112 E STEWART AVE	48505
LF91289	09-Nov-15	LEAD	0.002	2601 CIRCLE DR	48507
LF92709	18-Nov-15	LEAD	0.002	3802 GREENBROOK LN	48507
LF92716	18-Nov-15	LEAD	0.002	3825 DAVISON RD	48506
LF92718	18-Nov-15	LEAD	0.002	4109 TRUMBULL AVE	48504
LF92720	18-Nov-15	LEAD	0.002	932 LYON ST	48503
LF92721	18-Nov-15	LEAD	0.002	3420 PARKSIDE DR	48503
LF92732	18-Nov-15	LEAD	0.002	1331 BEARD ST	48503
LF93563	24-Nov-15	LEAD	0.002	1616 DURAND	48503
LF93583	24-Nov-15	LEAD	0.002	4309 CUTHBERTSON	48507
LF93585	24-Nov-15	LEAD	0.002	3502 BRINTWOOD DR	48503
LF94268	02-Dec-15	LEAD	0.002	326 FERNDAL PLACE	48503
LF94274	02-Dec-15	LEAD	0.002	3914 STERLING ST	48504
LF94276	02-Dec-15	LEAD	0.002	3550 HAWTHORNE DR	48503
LF94295	02-Dec-15	LEAD	0.002	630 W ATHERTON RD	48507
LF94297	02-Dec-15	LEAD	0.002	3636 BRENTWOOD	48503
LF94300	02-Dec-15	LEAD	0.002	3623 NORWOOD DR	48503
LF95918	10-Dec-15	LEAD	0.002	2020 KANSAS	48506
LF95919	10-Dec-15	LEAD	0.002	3102 BROWNELL BLVD	48504
LF95929	10-Dec-15	LEAD	0.002	3501 HAWTHORNE DR	48
LF95934	10-Dec-15	LEAD	0.002	2564 TYRONE ST	48504
LF97316	18-Dec-15	LEAD	0.002	224 E COURT ST APT 405	49502
LF97323	18-Dec-15	LEAD	0.002	1902 S AVERILL	48507
LF97330	18-Dec-15	LEAD	0.002		
LF97344	18-Dec-15	LEAD	0.002	732 VERMILYA AVE	
LF97950	29-Dec-15	LEAD	0.002	1201 N GRAND TRAVERSE	
LF97955	29-Dec-15	LEAD	0.002	3123 CHAMBERS ST	
LF97974	29-Dec-15	LEAD	0.002	2302 MOUNTAIN AVE	48503
LF90466	04-Nov-15	LEAD	0.003	1670 DUPONT ST	48504
LF91287	09-Nov-15	LEAD	0.003	218 W STEWART AVE	48505
LF92697	18-Nov-15	LEAD	0.003	325 BEDE ST	48507

Home Owner Results - Samples Submitted 11-1-15 Through 12-29-15

SAMPLE NUMBER	DATE SUBMITTED	ANALYTE	RESULT	ADDRESS	ZIP CODE
LF92707	18-Nov-15	LEAD	0.003	3825 DAVISON RD #2	48506
LF92708	18-Nov-15	LEAD	0.003	1914 MILLER RD	48503
LF92717	18-Nov-15	LEAD	0.003	3816 PARK FOREST DR	
LF92723	18-Nov-15	LEAD	0.003	509 WELLER ST	48504
LF93551	24-Nov-15	LEAD	0.003	318 BUCKINGHAM AVE (#2)	48507
LF93557	24-Nov-15	LEAD	0.003	1302 BLANCHARD AVE	48503
LF93579	24-Nov-15	LEAD	0.003	1807 WOODLIN DR	48504
LF94264	02-Dec-15	LEAD	0.003	322 FERNDAL PLACE	48503
LF94266	02-Dec-15	LEAD	0.003	1402 EAST COURT ST	48503
LF94273	02-Dec-15	LEAD	0.003	1801 SENECA ST	48504
LF94292	02-Dec-15	LEAD	0.003	2721 COVENTRY CT	48503
LF95913	10-Dec-15	LEAD	0.003	2702 MACKIN RD	48504
LF95924	10-Dec-15	LEAD	0.003	429 BURROUGHS AVE	48507
LF97317	18-Dec-15	LEAD	0.003	1521 BROOKWOOD DR	48503
LF97329	18-Dec-15	LEAD	0.003	1102 SOUTH DR	48503
LF97334	18-Dec-15	LEAD	0.003	224 E COURT APT 107	48502
LF97918	29-Dec-15	LEAD	0.003	1839 OAK BROOK CIR	
LF97925	29-Dec-15	LEAD	0.003	1223 BENNETT AVE	
LF97939	29-Dec-15	LEAD	0.003	1201 N GRAND TRAVERSE B	48503
LF97948	29-Dec-15	LEAD	0.003	3800 RICHFIELD RD #513	
LF97959	29-Dec-15	LEAD	0.003	1201 N GRAND TRAVERSE	48503
LF97977	29-Dec-15	LEAD	0.003	605 JOSEPHINE	
LF97983	29-Dec-15	LEAD	0.003	2302 MOUNTAIN AVE	48503
LF90460	04-Nov-15	LEAD	0.004	3510 ROBIN ST	48505
LF90463	04-Nov-15	LEAD	0.004	1014 BARRINGTON DR	
LF92704	18-Nov-15	LEAD	0.004	2020 CROOKED LN	48503
LF92731	18-Nov-15	LEAD	0.004	919 GLADWYN ST/MAIL TO 3302	48504
LF93564	24-Nov-15	LEAD	0.004	1410 BLUEBERRY LN/5	48507
LF93574	24-Nov-15	LEAD	0.004	3709 CIRCLE DR	48507
LF94302	02-Dec-15	LEAD	0.004	1934 CAMBRIDGE AVE	48503
LF95917	10-Dec-15	LEAD	0.004	3748 GLOUCESTER	
LF95922	10-Dec-15	LEAD	0.004	1909 WABASH	48505
LF97957	29-Dec-15	LEAD	0.004	1201 N GRAND TRAVERSE	
LF97963	29-Dec-15	LEAD	0.004	1230 DUPONT ST	
LF97964	29-Dec-15	LEAD	0.004	2380 NOLEN DR	48504
LF97981	29-Dec-15	LEAD	0.004	2610 M L KING AVE SALEM LUTHERAN	
LF91276	09-Nov-15	LEAD	0.005	746 S SAGINAW ST	48502
LF92710	18-Nov-15	LEAD	0.005	1262 GRACELAWN	48505
LF93556	24-Nov-15	LEAD	0.005	1410 BLUEBERRY LN/3	48507
LF93558	24-Nov-15	LEAD	0.005	318 BUCKINGHAM AVE #5	48507

Home Owner Results - Samples Submitted 11-1-15 Through 12-29-15

SAMPLE NUMBER	DATE SUBMITTED	ANALYTE	RESULT	ADDRESS	ZIP CODE
LF93559	24-Nov-15	LEAD	0.005	318 BUCKINGHAM #1	
LF93562	24-Nov-15	LEAD	0.005	1410 BLUEBERRY LN/4	48507
LF94261	02-Dec-15	LEAD	0.005	314 WESTCOMBE AVE	48503
LF94279	02-Dec-15	LEAD	0.005	1202 BEARD ST	48503
LF95911	10-Dec-15	LEAD	0.005	2821 BRANDON ST	48503
LF95914	10-Dec-15	LEAD	0.005	3517 MILLER RD	48503
LF97346	18-Dec-15	LEAD	0.005	1926 CAMBRIDGE AVE	48503
LF97949	29-Dec-15	LEAD	0.005	1926 HOWARD AVE BLDG 11	
LF90462	04-Nov-15	LEAD	0.006	2621 DELAWARE AVE	48506
LF92734	18-Nov-15	LEAD	0.006	1320 BEARD ST	48503
LF93555	24-Nov-15	LEAD	0.006	1410 BLUEBERRY LN/2	48507
LF94262	02-Dec-15	LEAD	0.006	629 ROOME CT	48503
LF95931	10-Dec-15	LEAD	0.006	213 FOSS AVE	48505
LF97943	29-Dec-15	LEAD	0.006	801 FLORAL PARK	
LF93587	24-Nov-15	LEAD	0.007	2020 MILLER RD	48503
LF93566	24-Nov-15	LEAD	0.008	2630 PARKSIDE DR	
LF93576	24-Nov-15	LEAD	0.008	KITCHEN	48504
LF93590	24-Nov-15	LEAD	0.008	3113 ARIZONA AVE	48506
LF94282	02-Dec-15	LEAD	0.008	620 LINCOLN	58507
LF97328	18-Dec-15	LEAD	0.008	1201 ALVORD AVE	48507
LF97331	18-Dec-15	LEAD	0.008	2830 EPSILON TRAIL	
LF97347	18-Dec-15	LEAD	0.008	119 GRACE ST	48503
LF97923	29-Dec-15	LEAD	0.008	1201 N GRAND TRAVERSE	48503
LF97971	29-Dec-15	LEAD	0.008	2610 ML KING AVE	
LF93553	24-Nov-15	LEAD	0.009	318 BUCKINGHAM #4	48507
LF95915	10-Dec-15	LEAD	0.009	2013 E COURT ST	48503
LF97342	18-Dec-15	LEAD	0.009	415 W 2ND STREET	
LF97922	29-Dec-15	LEAD	0.009	1201 N GRAND TRAVERSE	48503
LF97946	29-Dec-15	LEAD	0.009	1201 N GRAND TRAVERSE O	
LF94277	02-Dec-15	LEAD	0.010	3401 LEITH ST	48506
LF95927	10-Dec-15	LEAD	0.011	720 COMMONWEALTH AVE	48503
LF97349	18-Dec-15	LEAD	0.011	906 MARQUETTE ST	48504
LF97920	29-Dec-15	LEAD	0.011	1918 LEITH ST	48506
LF97978	29-Dec-15	LEAD	0.011	2005 BARTH ST	48504
LF94271	02-Dec-15	LEAD	0.012	314 FERNDAL	48503
LF95933	10-Dec-15	LEAD	0.012	3014 CHEYENNE AVE	48507
LF97927	29-Dec-15	LEAD	0.012	1201 N GRAND TRAVERSE	
LF97980	29-Dec-15	LEAD	0.012	2610 M L KING SALEM LUTHERAN	48505
LF97976	29-Dec-15	LEAD	0.015	2610 M L KING AVE	48505
LF95908	10-Dec-15	LEAD	0.017	2030 FERRIS AVE	48503

Home Owner Results - Samples Submitted 11-1-15 Through 12-29-15

SAMPLE NUMBER	DATE SUBMITTED	ANALYTE	RESULT	ADDRESS	ZIP CODE
LF97938	29-Dec-15	LEAD	0.017	1201 N GRAND TRAVERSE	48503
LF93575	24-Nov-15	LEAD	0.018	428 CRAPO	
LF93565	24-Nov-15	LEAD	0.022	1014 DELL AVE	48507
LF97961	29-Dec-15	LEAD	0.022	7002 PEMBERTON DR BLDG 2	48505
LF90464	04-Nov-15	LEAD	0.027	UNKNOWN	
LF93560	24-Nov-15	LEAD	0.028	1410 BLUEBERRY LN/1	48507
LF97935	29-Dec-15	LEAD	0.029	1201 N GRAND TRAVERSE E	48503
LF94260	02-Dec-15	LEAD	0.030	402 ALLENDALE PL	48503
LF91279	09-Nov-15	LEAD	0.033	227 E ALMA AVE	48505
LF92733	18-Nov-15	LEAD	0.036	1134 SIMCOE AVE	48507
LF97351	18-Dec-15	LEAD	0.040	1642 BELLE AVE	48506
LF97350	18-Dec-15	LEAD	0.041	1918 LEITH 1	48506
LF93552	24-Nov-15	LEAD	0.042	318 BUCKINGHAM #3	48507
LF97924	29-Dec-15	LEAD	0.042	1201 N GRAND TRAVERSE	48503
LF91272	09-Nov-15	LEAD	0.050	1426 MAPLEWOOD AVE	48506
LF93584	24-Nov-15	LEAD	0.055	2521 TRUMBULL AVE	48504
LF97954	29-Dec-15	LEAD	0.213	1201 N GRAND TRAVERS	48505
LF97945	29-Dec-15	LEAD	2.516	1201 N GRAND TRAVERSE	

Redacted pages 42-43

Message

From: Workman, Wayne (TREASURY) [/O=MIGOV/OU=EXTERNAL (FYDIBOHF25SPDLT)/CN=RECIPIENTS/CN=91104E2FF72646419E6955D950F6EC8A]
Sent: 8/17/2015 7:37:06 PM
To: Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bedan Morgan683]
Subject: FW: Local Government Memo and Summary
Attachments: Gov Memo August 2015.docx; 201508_436Summary.docx

Separate email coming with new summary document

Wayne L. Workman

Deputy State Treasurer

Michigan Department of Treasury

From: Workman, Wayne (TREASURY)
Sent: Friday, August 14, 2015 11:38 AM
To: snyder [REDACTED]
Cc: Muchmore, Dennis (GOV) <muchmored@michigan.gov>; Clement, Elizabeth (GOV) <clemente@michigan.gov>; Scott, Allison (GOV) <scotta12@michigan.gov>; Khouri, Nick (TREASURY) <KhouriN@michigan.gov>; Roberts, John (DTMB) <RobertsJ9@michigan.gov>; Baird, Richard (GOV) <bairdr@michigan.gov>; Walsh, John (GOV) <WalshJ@michigan.gov>; Redford, James (GOV) <RedfordJ@michigan.gov>; Allard, Claire (GOV) <allardc1@michigan.gov>; Wisniewski, Wendy (GOV) <wisniewskiw@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Koryzno, Edward (Treasury) <KoryznoE@michigan.gov>; Durfee, Sally (TREASURY) <DurfeeS1@michigan.gov>
Subject: FW: Local Government Memo and Summary

Governor Snyder, Attached is the latest update on distressed local governments along with a summary table. We can discuss in detail during our Tuesday briefing. Thank you, Wayne

Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: August 14, 2015
TO: Rick Snyder, Governor
FROM: Wayne Workman, Deputy State Treasurer
SUBJECT: Status of Financially Distressed Local Governments

EMERGENCY MANAGER

Lincoln Park

Emergency Manager: Brad Coulter

Appointed: July 3, 2014

Anticipated Exit: January 2016

Recent Developments

- A four-month plan has been developed, listing the priorities to be accomplished for the remainder of EM Coulter's term and beyond.
- The city is contemplating a lawsuit against the pension funds' actuary.
- PA 345 pension system millage of six mills will be on the November 2015 ballot. This is the second time PA 345 is going before Lincoln Park voters.
- The city ended FY 15 with an estimated \$100K General Fund operating surplus. The city has a General Fund deficit from previous years. EM Coulter will be submitting a Deficit Elimination Plan to Treasury.
- An actuarial analysis published on May 20, 2015, shows a further decline in pension funding down to 23%. More conservative actuarial assumptions were used in this report.
- EM Coulter has modified retiree collective bargaining agreements to reduce healthcare benefits. These changes were implemented in July 2015 and will reduce annual retiree healthcare costs from \$4.1M to \$600K.
- On August 10, 2015, the Lincoln Park Retiree Associations filed a lawsuit against the State of Michigan, Department of Treasury, and the City of Lincoln Park regarding the reduction of city retiree healthcare.
- Mathew Coppler, City Manager of Enfield, Connecticut, accepted the position of City Manager. His contract has been finalized and he will begin work October 1, 2015.

Lincoln Park (continued)

Significant Actions/Issues

- FY 15 ended with a General Fund accumulated deficit of \$636K, out of a total budget of \$21M. This is a significant increase from the FY 13 accumulated deficit of \$89K. Increases were in Public Safety - \$1.1M, Public Works - \$700K, and Culture and Recreation - \$600K.
- Last May voters rejected the Firefighters and Police Officers Retirement Act proposal by a 53% to 47% margin. Had it been approved, an additional \$3M annually would have helped fund fire/police pension and healthcare costs. EM Coulter is pursuing an alternative plan under provisions of PA 345 of 1927 to create a Board of Trustees to manage and operate the retirement system. A request for up to six mills per year to fund public safety pensions will be placed on the November ballot.

Issues to Resolve before EM Exit

- Increase and stabilize pension funding levels.
- Permanently eliminate structural deficit for future fiscal years.

FINANCIAL REVIEW COMMISSION (FRC)

Detroit

FRC Created: November 12, 2014

FRC Members: Nick Khouri, Bill Martin, Brenda Jones, Darrell Burks, John Roberts, Lorrion James, Mike Duggan, Stacy Fox, Tony Saunders

Recent Developments

- The Detroit City Council reconsidered the Detroit Water and Sewerage Department's proposed FY 16 water and sewer rate increase and approved it on July 21, 2015. This action eliminated a potential budget deficit, which was a concern raised by the State Treasurer in his July 2, 2015 letter to the city.
- The city issued its FY 14 Comprehensive Annual Financial Report (CAFR) on June 30, 2015 (following two three-month extensions granted by the State Treasurer). The city continued to have a deficit for FY 14 as that year closed prior to the bankruptcy confirmation in December 2014. The city expects to report a surplus in its FY 15 CAFR, which is currently underway and expected to be completed no later than March 2016.
- At the FRC's July 27, 2015 meeting, the city indicated it would reduce its bankruptcy exit financing debt by \$30M (from \$275M to \$245M) prior to its scheduled syndication in mid-August. The State Treasurer and FRC Executive Director are participating in the city's rating agency and investor presentations to discuss the State's oversight role.
- On July 29 and July 30, 2015, the city received its first post-bankruptcy credit ratings from S&P and Moody's. Only S&P rated the city's exit financing, for which it received an investment-grade "A" rating, with a stable outlook. The exit financing is secured by a statutory lien on city income tax revenue. Both rating agencies provided the city with updated underlying General Obligation (GO) ratings. S&P assigned a "B" rating, with a stable outlook. Moody's upgraded the city from "B3" to "B2," with a positive outlook.

Detroit (continued)

Significant Action/Issues

- The first statutorily required biannual report on Detroit was filed by the FRC on May 28, 2015. The report detailed the FRC's activities and formal requirements since its appointment in November 2014. The FRC will file its second biannual report in December 2015.
- The city submitted its Four-Year Financial and Operating Plan (Plan) to the FRC in March. After reviewing the Plan and determining it was based on sound assumptions and met all statutory requirements, the FRC granted approval on April 20, 2015. The city's Plan encompassed the second year (FY 16) of Emergency Manager Orr's two-year budget and used this as its base year with no changes, plus three years (FY 17, FY 18, and FY 19).
- The City of Detroit Assessor's Office is currently conducting a multi-year project to reappraise all properties in Detroit, after the State Tax Commission found significant problems with property valuations. The reappraisal is scheduled to be completed in 2017.

RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB)

Allen Park

RTAB Appointed: September 26, 2014

RTAB Members: Suzanne Schafer, Joyce Parker, Fredrick Frank, Karen Barann

Recent Developments

- The City Council has approved a new, four-year collective bargaining agreement with the police bargaining unit. Treasury reviewed the tentative agreements and had a number of concerns with the terms including the identification of over \$237K in increased costs in Year 1. Despite these concerns, the RTAB voted 2 to 1 to ratify the approval of these collective bargaining agreements.
- The city wishes to seek bids for retiree health insurance coverage after being informed by Blue Cross that a 23% rate increase of \$644K will become effective October 1, 2015. The RTAB has approved this request and Treasury is working with the city to identify potential legal ramifications in the lawsuit with retirees if coverage is changed to a new provider.
- The city was informed by Blue Cross that a billing oversight has resulted in the city underpaying for insurance coverage for retirees in the amount of \$853K.
- The city received a \$1.2M Staffing for Adequate Fire and Emergency Response Grant, which will allow them to retain six firefighters over the next two years.
- On May 15, 2015, an updated five-year budget projection from the city was received. The RTAB approved this item on August 5, 2015.
- The RTAB approved the hiring of a professional search firm to assist with finding qualified City Administrator candidates. Treasury is participating in the selection process. The City Council will be interviewing the finalists for the position in August 2015.
- Completion of the bond tender process is projected for August 2015. The 2015 Refunding Bonds will be rated Single A, due to the city's pledge of distributable state aid.

- Standard & Poor's released its rating of the city on June 24, 2015, in anticipation of the bond tender release. The city's long-term rating for the existing bonds was downgraded with a negative outlook. The downgrade of these bonds is similar to the rating by Standard and Poor's on the City of Detroit's DWSD tender refinancing.

Allen Park (continued)

Recent Developments (continued)

- A retired city employee has brought a breach of contract and age discrimination lawsuit against the city. The city's insurance policy covers only a small portion of the alleged damages. A Settlement Conference was held between all parties on July 20, 2015, but no resolution was achieved. The court has ordered mediation proceedings.
- The city's current budget is balanced.

Significant Actions/Issues

- The city completed its move to a new temporary City Hall on June 8, 2015.
- The City Council adopted the FY 16 Budget on May 26, 2015, and the RTAB approved this action on June 3, 2015.
- Inquiries are being made to add one member to the RTAB.
- Litigation was filed by retirees challenging the EM's authority to reduce other post-employment benefit (OPEB) liabilities. A motion for summary disposition is pending. No date has been set to hear this motion.

Benton Harbor

RTAB Appointed: March 10, 2014

RTAB Members: Larry Steckelberg, Bret Witkowski, Marvin Raglon, Sharon Hunt

Recent Developments

- On August 3, 2015, the City Commission adopted a resolution requesting a hearing with the Department of Treasury to discuss financial assistance for decisions made during the tenure of emergency managers that resulted in legal fees and settlement costs.
- TAt-Large Commissioner Mary Donald passed away on June 12, 2015. On August 10, 2015, the City Commission appointed Edward Isom to finish her unexpired term, which ends December 31, 2015. On August 11, 2015, the RTAB approved the appointment.
- The first annual evaluation from the RTAB was conducted on July 29, 2015. It will be sent to the RTAB for review.
- The City Commission adopted the FY 16 Budget on June 15, 2015. The RTAB approved this action on June 22, 2015.

Significant Actions/Issues

- FY 14 audited General Fund revenues exceed expenditures by \$1M, out of a total budget of \$6.1M.
- Former Benton Harbor Public Safety Director Roger Lange brought a Whistleblower and Elliot Larson Civil Rights case against the City of Benton Harbor and former EM Tony Saunders. Mediation took place on July 17, 2015, with Jon March of Miller Johnson serving as the mediator. No settlement was reached.

Ecorse

RTAB Appointed: May 1, 2013

RTAB Members: Edward Koryzno, Robert Bovitz, Joyce Parker

Recent Developments

- The city has completed a balanced five-year financial plan. One challenge includes the outsourcing of fire services which must be realized soon to keep the financial plan solvent. This is the first time the city has proposed a viable path out of receivership.
- The degree of State oversight may be reduced if the city can convincingly show a commitment to the cost saving measures they have promised.
- The RTAB approved the city's choice for city controller at the August meeting. Tim Sadowski will commence work later this month.
- A second annual evaluation from the RTAB will commence in the coming months.

Significant Actions/Issues

- The city continues to have difficulty attracting qualified candidates and filling higher level administrative positions.
- Municipal Employee's Retiree System pension contributions are anticipated to increase from \$1.8M in FY 15 to \$2.4M in FY 16 due to accelerated funding for closed plans.
- On May 12, 2015, the RTAB approved a narrowly balanced FY 16 Budget. To balance the budget, the city increased an existing PA 33 levy by approximately 15 mills.

Flint

RTAB Appointed: April 29, 2015

RTAB Members: Frederick Headen, Brian Larkin, David McGhee, Beverly Walker-Griffiea, Robert McMahan

Recent Developments

- At a special meeting held on August 11, 2015, the City Council approved the transfer of \$323K from the Fire Department to the Police Department to hire five additional patrol officers. The RTAB approved this transfer on August 12, 2015.
- On August 7, 2015, Genesee County Circuit Court invalidated the city's 35 percent water and sewer rate increases which were reverted back to 2011 rates. This decision could potentially cost the City's General Fund up to \$50M. The city expects to receive a final order from the Circuit Court on August 17, 2015, and is prepared to file an emergency appeal to the Court of Appeals. The City Administrator has instituted hiring and spending freezes across all departments, and Treasury is working with the city to identify the impact from this decision.
- In addition, on August 7, 2015, Genesee County Circuit Judge Archie Hayman issued an emergency injunction that prevents the city from further charging water service fees, instituted on all water bills to recoup funds used to settle a 2007 lawsuit. The ruling requires the city to repay \$15.7M from the General Fund to the Water Fund. The ruling also prohibits the city from disconnecting water service for late payment and prevents the city from placing liens on property for past due water bills. The city plans to appeal this decision.

Flint (continued)

Recent Developments (continued)

- The City Council approved an amendment to the EM adopted FY 15 Budget on June 29, 2015. The city ended FY 15 with an estimated \$495K General Fund balance. The RTAB denied the budget amendment at their July 15, 2015 meeting because the City Council also approved the use of \$200K of the city's \$495K General Fund balance for grass and weed abatement throughout the city. The City Council reconsidered and adopted the budget amendments, which were approved by the RTAB on August 12, 2015. The City Administrator has also developed a plan to allocate additional resources toward grass and weed abatement.
- On July 15, 2015, the RTAB approved the issuance of an Obsolete Property Rehabilitation Act (OPRA) certificate for a downtown property. The City Council had initially rejected issuance of the OPRA certificate but an EM Order permits the RTAB to make the final determination on economic development projects.
- On July 15, 2015, the RTAB also approved ballot language for the renewal of the Regional Flint Mass Transportation Authority millage. The renewal is proposed for five years at the current 0.6 mills per year. This proposal will appear on the November 2015 ballot.
- U.S. District Judge Stephen J. Murphy denied a motion for a preliminary injunction on June 23, 2015, to force the city to purchase water from the City of Detroit. Another lawsuit to force the city to purchase water from the City of Detroit was filed in Genesee County Circuit Court on July 16, 2015.
- The city's Economic and Community Development Director is leaving in August 2015. Current staffing vacancies also include the City Treasurer and the Human Resources Director.
- As a result of a recent review, the State Tax Commission notified the city that it must maintain adequate assessment records in compliance with statute and State Tax Commission Rules, and must implement any corrective actions necessary. In addition, the city shall implement a full reassessment within a time frame agreed upon with the State Tax Commission. The city is preparing to issue an RFP for a reappraisal.
- The city continues to inform residents that it is in violation of the Clean Water Standards Act. Monthly testing is ongoing.
- The city is implementing Veolia recommended improvements to its water system, including water plant improvements, distribution system improvements, new policies and procedures, and better communication with customers. The city installed a \$1.5M granulated active-charcoal filter to improve water quality. All twelve filters are completely installed and will be in use by August 17, 2015.
- The city hired Echologics at a cost of \$895,850 to perform a leak detection study. This project commenced on August 10, 2015.
- The KWA pipeline is expected to be completed in June 2016. The two pump stations are 75% complete and the intake should be completed in August 2015.

Flint (continued)

Significant Actions/Issues

- The City Administrator has issued a Corrective Action Plan to the City Clerk to correct a number of operational deficiencies that resulted in the wrong election submission dates being provided to local candidates.
- On June 12, 2015, the Michigan Court of Appeals reversed a decision by Genesee County Circuit Judge Richard Yuille, who dismissed a claim that the city violated its own ordinances when the EM raised water and sewer rates in 2011.
- If the city loses a lawsuit over retiree healthcare, the EM's two-year budget does not assume an additional \$5M to \$6M annual expense.

Hamtramck

RTAB Appointed: December 18, 2014

RTAB Members: Deborah Roberts, Mark Stema, Cathy Square, Karen Young

Recent Developments

- The city is undertaking a \$7M sewer infrastructure improvement project which is eligible for State Revolving Fund monies. The project will reduce storm water inflow into the sanitary sewers.
- The City is pursuing a third party police study which will help administrators reduce the overtime rates.
- A contractor is reassessing both residential and commercial properties.

Significant Actions/Issues

- The City Council adopted the FY 16 Budget on June 17, 2015. The RTAB approved this action on June 23, 2015. The city has also developed a long-term capital improvement plan.
- A suit was filed in federal court by Hamtramck retirees over changes to healthcare benefits made in October 2014. The potential exposure to the city is currently unknown.
- The annual pension liability is anticipated to increase from \$3.5M in FY 15 to \$4.3M by FY 19. This increase is a result of closing certain pension plans and the Michigan Employee's Retirement System (MERS) policy of accelerating the required contribution for closed plans. The increases were included in the EM two-year budget.

Pontiac

RTAB Appointed: August 19, 2013

RTAB Members: Edward Koryzno, Louis Schimmel, Keith Sawdon, Robert Burgess

Recent Developments

- On July 18, 2015, the City Council approved the recommendation of the Local Officer Compensation Commission to increase Council's compensation from \$7K to \$15K. The RTAB approved this action on July 27, 2015.
- Interviews for the Deputy Mayor position are being held in August 2015.
- The city lost the Supreme Court ruling on efforts to demolish the Phoenix Center. Treasury is working with the city to move forward with the sale to a private operator which frees up \$2M in demolition funds.

Pontiac (continued)

Significant Actions/Issues

- On June 18, 2015, the City Council adopted the proposed FY 16 Budget and 2015 tax rates. The RTAB held a special meeting on June 26, 2015, to approve the proposed FY 16 Budget and 2015 tax rates.
- On May 21, 2015, the Securities and Exchange Commission (SEC) issued an Order to initiate proceedings against Gray & Company, the city's pension investment advisor. The proceedings involve Gray & Company's dealings with investments made by several Georgia pension plans in the Gray & Company Alternative Fund II LP, a proprietary private equity fund. The Pension Board met with Mr. Gray to discuss the SEC proceedings, its effects on the Pontiac GERS portfolio, and how much is invested with Gray's firm. The Pension Board has withdrawn its pension assets from Gray & Company controlled funds.
- The city lost a decision at the Michigan Court of Appeals which may make it liable for a \$3.5M payment to the Police and Fire VEBA. The city requested reconsideration but was denied. On May 20, 2015, the RTAB approved the city's request to appeal to the Michigan Supreme Court.
- Per the city's FY 14 audit, the general fund's accumulated fund balance is approximately \$5M out of a total budget of \$27M.
- The City of Pontiac Retired Employees Association v. City of Pontiac lawsuit (in U.S. District Court) was reassigned from Judge Lawrence P. Zatkoff to Judge Avern Cohn. The lawsuit challenges former EM Schimmel's elimination of retiree healthcare and replacement with an annual stipend. The General Employees Retirement System Pension Fund is significantly overfunded and the parties are exploring options to use the overfunded portion to fund retiree healthcare. Mediation is taking place under the supervision of Eugene Driker.

CONSENT AGREEMENT

Inkster

Date Executed: February 20, 2012

Consent Agreement Consultant: Mark Stuhldreher

Recent Developments

- On August 3, 2015, the Inkster City Council voted to change the employment status of City Manager Richard Marsh to Special Advisor to the city. The City Council named City Treasurer Mark Stuhldreher to the position of Interim City Manager. A search firm will conduct a national search to fill the City Manager's position.
- The City Manager with the approval of the City Treasurer, hired William Riley, Police Chief of Selma, Alabama, to the position of Police Chief. Mr. Riley's start date was August 10, 2015.
- On June 29, 2015, a tentative agreement was reached with Wayne County to place a judgment levy starting with the December 2015 tax roll, for five years, to repay the county \$4.9M in past due sewer charges. The city would like to postpone the levy until 2016 and are in discussions with Wayne County.

- The city is collaborating with MSHDA and MEDC to seek new housing developments and development of several vacant commercial parcels.

Inkster (continued)

Significant Actions/Issues

- The City Council approved the FY 16 Budget on May 18, 2015.
- On April 20, 2015, the city adopted a working capital reserve policy for the Water and Sewer Fund which will provide funds for emergency situations.
- On June 29, 2015, an Order was issued requiring the City Treasurer to approve all employment matters with city officials and employees, expenditure of funds, and all contracts.

River Rouge

Date Executed: December 15, 2009

Consent Agreement Consultant: N/A (PA 72)

Significant Actions/Issues

- A fire union collective bargaining agreement was approved in March, resulting in a reduction in healthcare costs.
- The city adopted its FY 16 Budget on May 19, 2015. The budget is balanced and has a beginning fund balance of \$1,967,613. The city has prepared a proposed five-year budget that shows a deficit in FY 18 to FY 20 unless additional revenues can be found.

Royal Oak Township

Effective Date: April 21, 2014

Consent Agreement Consultant: Robert Burgess

Recent Developments

- On August 4, 2015, voters approved a renewal of 4.5 mills for general operations.
- The township audit was completed. The auditors recommended that the township submit a Deficit Elimination Plan for 2014, select a firm to advise the Township on financial matters and perform an inventory of assets.
- A report issued by the Rehmann Group, the township's financial consultant, noted that the township must make budget adjustments of \$164,275 to its FY 15 General Fund Budget to account for expenditures exceeding revenues in FY 14. The township adopted budget amendments on May 28, 2015.
- An Order was issued on June 17, 2015, granting the Consultant broad authority to approve expenditures made by the township and ensure that obligations are being paid. The Order also gives the Consultant authority to return the \$620K in reimbursed retirement assets to MERS.

Significant Actions/Issues

- The Michigan State Police continues to provide police services to the township.
- Treasury learned that the Township Supervisor was regularly authorizing overtime for employees, though overtime was not included in the FY 15 Budget and the Consent Agreement requires State Treasurer approval prior to overtime expenditures. An Order was issued May 20, 2015, requiring the Consultant to approve all requests for overtime prior to authorization.

NEUTRAL EVALUATION

Highland Park

Financial Review Team Appointed: December 2, 2013

Financial Emergency Declared: January 30, 2014

PA 436 Option Selected: Neutral Evaluation

Recent Developments

- On August 11, 2015, a report was issued by Meadowbrook Insurance on the progress of reducing the City's healthcare costs. When successfully implemented after October 1, 2015, the \$1.4M annual cost of healthcare could be reduced to \$630K.
- On July 6, 2015, Wade Trim began duties to operate and maintain the water and sewer systems.
- Louis Schimmel was hired on June 29, 2015, to provide consulting services regarding water and sewer issues.
- On July 31, 2015, the water and sewer amnesty program expired. City Administrator Cathy Square stated the city will work with customers to settle their past due accounts.
- The second phase of emergency loans is tentatively scheduled to take place on September 24, 2015. It would consist of approximately \$4.7M to restructure the city's three outstanding emergency loans and \$11.5M to refinance outstanding debt.
- The city has purchased the first quantity of water meters at a cost of \$343K.
- The city issued an RFP in July to contract-out the collection of past due water and sewer bills from residential and commercial customers.

Significant Actions/Issues

- On June 29, 2015, the City Council approved a substantial increase in water and sewer rates which will allow the city to fund water and sewer operations.
- On May 18, 2015, the City Council adopted a resolution requesting MDOT to pay for storm water drainage from the highways and freeways under MDOT's jurisdiction in the city.
- On May 18, 2015, City Council approved a consultant's recommendation for an amnesty plan for residential customers to pay arrearage amounts owed to the city. The consultant has determined that if all customers take advantage of the amnesty plan, the city could collect \$2.08M. The city has extended the amnesty plan until July 31, 2015. This will allow more time for customers to pay past due accounts.
- The city's liabilities total \$99.9M. Some major components are: \$55.3M debt, including \$20.7M owed to the DWSD, and \$26.1M unfunded other post-employment benefits (OPEB).

OTHER COMMUNITIES

Wayne County

Recent Developments

- On July 21, 2015, the Review Team reported to the Governor that a financial emergency existed in the County.
- On July 22, 2015, the Governor confirmed the finding of a financial emergency in Wayne County. The County did not request a hearing on the findings as provided for in Public Act 436 of 2012, the Local Financial Stability and Choice Act.
- On August 6, 2015, the County Commissioners voted to choose the option of a consent agreement to address its financial emergency.
- On August 13, 2015, the County Board approved the Consent Agreement negotiated between the County Executive and State Treasurer.

Significant Actions/Issues

- On June 10, 2015, the county reached a settlement with retirees on healthcare. The county will no longer provide health insurance but will instead provide a stipend to retirees. This will result in a savings of \$20M annually.
- On June 17, 2015, the Wayne County Executive requested a preliminary review under the Local Financial Stability and Choice Act, Public Act 436 of 2012. After notification to the county, Treasury began its preliminary review of the County's finances on June 19, 2015. A final preliminary review report was issued on June 30, 2015.
- On July 1, 2015, the Local Emergency Financial Assistance Loan Board met and found that probable financial stress exists in the county.
- The county's annual structural General Fund deficit is approximately \$52M prior to any of the proposed remedial actions.
- The county's proposed restructuring is approximately \$53M in General Fund savings, \$25M of which comes from changes to pension and healthcare benefits for active employees and healthcare benefits for retirees. The county has not yet proposed a long-term solution to its jail problems.

Public Act 436 of 2012 Summary

EMERGENCY MANAGER - MUNICIPALITIES				
Unit of Government	Current Emergency Manager	Initial Appointment Date	Target Exit Date	Notes
City of Lincoln Park	Brad Coulter	July 3, 2014	January 2016	FY 15 ended with an estimated \$100K general fund operating surplus. Will submit DEP. Actuarial analysis published on 5/20/15 shows further decline in pension funding down 23%. Mathew Coppler, City Manager of Enfield, Connecticut accepted position of City Manager.
FINANCIAL REVIEW COMMISSION (FRC) – MUNICIPALITIES				
Unit of Government	Board Members	Appointment Date	Target Exit Date	
City of Detroit	Nick Khouri, John Roberts, Bill Martin, Mike Duggan, Brenda Jones, Darrell Burks, Lorrion James, Stacy Fox, Tony Saunders	November 12, 2014	NA	City Council approved DWSD FY 16 water/sewer increase on 7/21/15 which eliminates a potential budget deficit. First post-bankruptcy credit rating – S&P “A” rating for exit financing, with stable outlook General Obligation rating – S & P rating is a “B” with stable outlook and Moody’s upgraded from “B3” to “B2” with a positive outlook. FRC filed its first biannual report on 5/28/15. 2 nd report will be filed in December 2015. Assessor’s Office conducting multi-year project to reappraise properties - complete in 2017.
RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB) - MUNICIPALITIES				
Unit of Government	Board Members	Appointment Date	Target Exit Date	Notes
City of Allen Park	Suzanne Schafer, Joyce Parker, Fredrick Frank, Karen Barann	September 26, 2014	NA	4-year CBA with police approved by Council and the RTAB despite concerns in increased costs. (RTAB vote was 2-1 to approve). RTAB approved 5-year financial plan on 5/15/15. Bond Tender projects to be completed in August 2015.
City of Benton Harbor	Larry Steckelberg, Bret Witkowski, Marvin Raglon, Sharon Hunt	March 10, 2014	NA	Commission requested a hearing to discuss financial assistance re EM decisions made that resulted in legal fees and settlement costs. Former Public Safety Director brought Whistleblower and Elliot Larson Civil Rights case against the city. Mediation took place on 7/17/15, no settlement reached.

Public Act 436 of 2012 Summary

City of Ecorse	Edward Koryzno, Robert Bovitz, Joyce Parker	May 1, 2013	NA	Balanced 5-year financial plan completed. Difficult changes must be realized to comply. RTAB approved balanced FY 16 Budget on 5/12/15.
City of Flint	Frederick Headen, Brian Larkin, David McGhee, Beverly Walker-Griffea, Robert McMahan	April 29, 2015	NA	RTAB approved Obsolete Property Rehabilitation Act (OPRA) certificate for downtown property on 7/15/15. Motion denied on 6/23/15 for preliminary injunction to force city to purchase water from Detroit. 2 nd lawsuit filed on 7/16/15. KWA pipeline expected to be completed in June 2016.
City of Hamtramck	Deb Roberts, Mark Stema, Karen Young, Cathy Square	December 1, 2015	NA	Undertaking a \$7M sewer infrastructure improvement project which is eligible for State Revolving Fund Monies. Project will reduce storm water inflow into sanitary sewers.
City of Pontiac	Edward Koryzno, Louis Schimmel, Keith Sawdon Robert Burgess	August 19, 2013	NA	Interviews for Deputy Mayor position are being held in August 2015. City lost Supreme Court ruling to demolish Phoenix Center. Treasury working with city to move forward with sale to private operator which frees up \$2M in demolition funds. FY 16 Budget and 2015 tax rates approved by RTAB on 6/26/15.
CONSENT AGREEMENT - MUNICIPLITIES				
Unit of Government	Treasury Representative/Consultant	Date Executed	Term of Consent Agreement	Notes
City of Inkster	Mark Stuhldreher, Interim City Manager and City Treasurer/Finance Director	February 20, 2012	N/A	On 8/3/15, City Council voted to change the employment status of the City Manager to Special Advisor. Mark Stuhldreher appointed interim City Manager. Tentative agreement w/ Wayne County for judgement levy starting w/ December 2015 tax roll. Collaborating with MSHDA and MEDC to seek new housing developments and development of several vacant commercial parcels.
City of River Rouge	N/A (P.A. 72)	December 15, 2009	N/A	FY 16 Budget adopted on 5/19/15. Proposed 5-yr budget shows a deficit in FY 18 to FY 20 unless additional revenues can be found.
Royal Oak Township	Robert Burgess	April 21, 2014	October 31, 2017	On 8/3/15, voters approved a renewal of 4.5 mills for general operations. Order issued on 6/17/15 granting the Consultant broad authority to approve expenditures made by the township to ensure obligations are being paid.

Public Act 436 of 2012 Summary

Wayne County				County selected the consent agreement option on 8/6/15. Currently negotiating. On 6/10/15, county reached settlement with retirees on healthcare to provide stipend in lieu of health insurance.
NEUTRAL EVALUATION - MUNICIPALITIES				
Unit of Government	Financial Review Team Appointed	Financial Emergency Declared	Date Option Selected	Notes
City of Highland Park	December 2, 2013	January 30, 2014	May 1, 2014	Wade Trim began operating and maintaining water and sewer systems on 7/6/15. 2 nd phase of emergency loans tentative for 9/24/15 – \$4.7M to restructure 3 outstanding loans and \$11.5M to refinance outstanding debt. City issued RFP to contract out collection of past due water/sewer bills. On 6/29/15, Council approved substantial increase in water/sewer rates.
OTHER COMMUNITIES				
City of Melvindale * City of Wayne *				
EMERGENCY MANAGER - SCHOOLS				
Unit of Government	Emergency Manager	Appointment Date	Target Exit Date	Notes
Detroit Public Schools	Darnell Earley	January 13, 2015	April 2016	FOP/ 45 Day Plan submitted on 2/27/15. Working on long-term strategy with E&Y/ Parthenon. Meeting with Coalition. Commence search for CFO. Weekly meetings to monitor critical cash, shortfall of approximately \$67M for FY15. ORS delinquencies growing to approximately \$39M (approximately \$12M from this FY).
Highland Park School District	Donald Weatherspoon	April 15, 2015	October 2016	Due to financial and academic restraints, educational services for grades 9-12 will be provided for by DPS starting in Fall 2015. Legacy costs, including but not limited to, retirement pensions, UI, legal services, and utilities have not been fully paid-to-date. Budget deficit decreased slightly for FY 15 and will continue to decrease by about \$800K each year afterward.

Public Act 436 of 2012 Summary

Muskegon Heights School District	Steven Schiller	April 15, 2015	October 2016	Completed transition from Mosaica to ISD on 6/30/14. Continue to struggle with residual financial issues related to exit of Mosaica. Budget deficit declining - negative fund balances reduced \$11.9M in FY 12 to \$1.1M in FY 15.
CONSENT AGREEMENT - SCHOOLS				
Unit of Government	Consultant	Appointment Date	Target Exit Date	Notes
School District of City of Pontiac	Donald Weatherspoon	October 15, 2013	September 2015	Budget deficit continues to decline and negative fund balance has been reduced from \$50.4M in FY 13 to \$35.9M in FY 15. On 8/4/15, voters disapproved a 2.87 millage, 5-yr sinking fund needed for facility repairs and improvements. Alternative options are now being reviewed, A \$10M emergency loan approved by ELB on 7/21/15. Due to \$20M loan cap per municipality, district is no longer eligible for future emergency loans.
Benton Harbor Schools	Cynthia M. LaGrow	November 18, 2014	November 2016	Appointed interim CFO in July 2015, search continues for permanent CFO. Transitioning from Plante Moran to Berrien RESA for essential office admin support. \$1.4M emergency loan approved by ELB on 7/21/25. G. Weatherspoon was appointed acting superintendent in June 2015. Former superintendent placed on administrative leave on 4/30/15 and currently under investigation.
SCHOOLS WATCH LIST				
Due to recent passage of PAs 109 and 111, Treasury is evaluating the list of schools with deficits that meet the new criteria.				

Message

From: Workman, Wayne (TREASURY) [/O=MIGOV/OU=EXTERNAL (FYDIBOHF25SPDLT)/CN=RECIPIENTS/CN=91104E2FF72646419E6955D950F6EC8A]
Sent: 8/17/2015 7:38:15 PM
To: Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bedan Morgan683]
Subject: FW: Revised Summary/Distressed Schools Summary
Attachments: Revised_201508_436Summary.docx

Here is updated summary. Sorry had everyone but you.

Wayne L. Workman

Deputy State Treasurer

Michigan Department of Treasury

From: Workman, Wayne (TREASURY)
Sent: Monday, August 17, 2015 12:03 PM
To: 'snyder [REDACTED]'
Cc: Muchmore, Dennis (GOV) <muchmored@michigan.gov>; Clement, Elizabeth (GOV) <clemente@michigan.gov>; Scott, Allison (GOV) <scotta12@michigan.gov>; Khouri, Nick (TREASURY) <KhouriN@michigan.gov>; Roberts, John (DTMB) <RobertsJ9@michigan.gov>; Baird, Richard (GOV) <bairdr@michigan.gov>; Walsh, John (GOV) <WalshJ@michigan.gov>; Redford, James (GOV) <RedfordJ@michigan.gov>; Allard, Claire (GOV) <allardc1@michigan.gov>; Wisniewski, Wendy (GOV) <wisniewski@w@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Koryzno, Edward (Treasury) <KoryznoE@michigan.gov>; Durfee, Sally (TREASURY) <DurfeeS1@michigan.gov>
Subject: FW: Revised Summary/Distressed Schools Summary

Governor and All, Attached is an updated and revised version of the Distressed Municipality and School Summary Report transmitted August 14 at 11:38 am. This should replace the Summary transmitted on August 14. Thank you, Wayne

Wayne L. Workman

Deputy State Treasurer

Michigan Department of Treasury

From: Saxton, Thomas (Treasury)
Sent: Monday, August 17, 2015 11:01 AM
To: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Cc: Connors, Paul (Treasury) <ConnorsP@michigan.gov>
Subject: FW: Revised Summary/Gov Doc

Here is the attached table with the corrected data. I gave Paul a few nits on the memo; which I will bring hard copies to the meeting tomorrow.

If you see anything we should change let us know.

From: Connors, Paul (Treasury)
Sent: Monday, August 17, 2015 8:23 AM
To: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
Cc: Pleyte, Beth (Treasury) <PleyteB@michigan.gov>; Storberg, Ann Marie (TREASURY) <StorbergA@michigan.gov>
Subject: Revised Summary/Gov Doc

Here you go

Director of the Office of School Review and Fiscal Accountability

Michigan Department of Treasury

430 W. Allegan Street

Lansing, MI 48922

(517) 241-1186

Public Act 436 of 2012 Summary

EMERGENCY MANAGER - MUNICIPALITIES				
Unit of Government	Current Emergency Manager	Initial Appointment Date	Target Exit Date	Notes
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OTHER COMMUNITIES				
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Unit of Government	Emergency Manager	Appointment Date	Target Exit Date	Notes
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Highland Park School District	Donald Weatherspoon	April 15, 2015	October 2016	Due to financial and academic restraints, educational services for grades 9-12 will be provided for by DPS starting in Fall 2015. Legacy costs, including but not limited to, retirement pensions, UI, legal services, and utilities have not been fully paid-to-date.

Public Act 436 of 2012 Summary

				Budget deficit decreased slightly for FY 15 and will continue to decrease by about \$800K each year afterward. Pupil count declined from 639 in 2013-14 to 511 in 2014-15.
Muskegon Heights School District	Steven Schiller	April 15, 2015	October 2016	Completed transition from Mosaica to ISD on 6/30/14. Continue to struggle with residual financial issues related to exit of Mosaica. Budget deficit declining - negative fund balances reduced \$11.9M in FY 12 to \$1.1M in FY 15. Pupil enrollment declined from 912 in 2013-14 to 902 in 2014-15.
CONSENT AGREEMENT - SCHOOLS				
Unit of Government	Consultant	Appointment Date	Target Exit Date	Notes
School District of City of Pontiac	Donald Weatherspoon	October 15, 2013	September 2015	Budget deficit continues to decline and negative fund balance has been reduced from \$50.4M in FY 13 to \$35.9M in FY 15. On 8/4/15, voters disapproved a 2.87 millage, 5-yr sinking fund needed for facility repairs and improvements. Alternative options are now being reviewed, A \$10M emergency loan approved by ELB on 7/21/15. Due to \$20M loan cap per municipality, district is no longer eligible for future emergency loans. Pupil count declined from 4,531 in 2013-14 to 4,385 in 2014-15
Benton Harbor Schools	Cynthia M. LaGrow	November 18, 2014	November 2016	Appointed interim CFO in July 2015, search continues for permanent CFO. Transitioning from Plante Moran to Berrien RESA for essential office admin support. \$1.4M emergency loan approved by ELB on 7/21/25. G. Weatherspoon was appointed acting superintendent in June 2015. Former superintendent placed on administrative leave on 4/30/15 and currently under investigation. Pupil count declined from 2,668 in 2013-14 to 2,428 in 2014-15.
SCHOOLS WATCH LIST				
With the passage of 2015 PAs 109-111, Treasury is expected to have authority over the following deficit districts: Flint Hazel Park Westwood Mt. Clemens				

Public Act 436 of 2012 Summary

Bridgeport Spaulding
Clintondale
New Haven
Vanderbilt
Southgate
Mackinac City

Message

From: Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=BEDAN MORGAN683]
Sent: 4/28/2015 8:26:29 PM
To: [REDACTED]
CC: Scott, Allison (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Scotta12]; Muchmore, Dennis (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Muchmored]; Clement, Elizabeth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Clemente]; Emmitt, Beth (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Emmittb]; Bedan, Morgan (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Bedan Morgan683]; Utley, Corey (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=UtlleyC]; Dickinson, Sarah (GOV) [/O=MIGOV/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Dickinson Sarah4ab]
Subject: April 29 Daily Briefing and Bill Packet
Attachments: 150429 Bill Packet.pdf; 150429 Daily Briefing.pdf

Governor,

Attached is your Daily Briefing and Bill Packet for April 29. The briefing contains:

Redacted

Redacted

For Review

- Flint EM Transition Plan – Pages 62 – 78
 - Treasury Memo
 - Updated Comms Plan
 - EM's Final Order
 - EM Termination Letter
 - RTAB Appointment Letter

Redacted

Please let us know if you have any questions.

Thank you,

Morgan

Attachment Redacted as Irrelevant

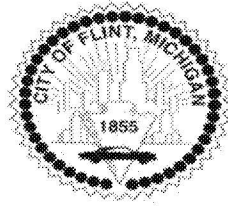
Governor Rick Snyder

April 29, 2015

Daily Briefing

Contents	Pages
For Review	
Flint EM Transition Plan^	

Pages 2-64 redacted



**EMERGENCY MANAGER
CITY OF FLINT
GENESEE COUNTY, MICHIGAN**

ORDER NO. 20

**MEASURES TO RECTIFY FINANCIAL EMERGENCY AND
ALLOCATION OF RESPONSIBILITIES IN THE EVENT OF THE
APPOINTMENT OF A RECEIVERSHIP TRANSITION ADVISORY
BOARD**

BY THE POWER AND AUTHORITY VESTED IN THE EMERGENCY MANAGER
("EMERGENCY MANAGER") FOR THE CITY OF FLINT, MICHIGAN ("CITY")
PURSUANT TO MICHIGAN'S PUBLIC ACT 436 OF 2012, LOCAL FINANCIAL
STABILITY AND CHOICE ACT, ("PA 436"); GERALD AMBROSE, THE EMERGENCY
MANAGER, ISSUES THE FOLLOWING ORDER:

Pursuant to Public Act 436, the Emergency Manager has broad powers in receivership to rectify the financial emergency and to assure the fiscal accountability of the City of Flint and its capacity to provide or cause to be provided necessary services essential to the public health, safety and welfare; and

Pursuant to Public Act 436, the Emergency Manager acts in place of local officials, specifically the Mayor and City Council, unless the Emergency Manager delegates specific authority; and

Pursuant to Public Act 436, the Emergency Manager has broad power to manage the local government, and may issue orders to elected and appointed officials necessary to accomplish the purpose of the Act; and

Pursuant to Public Act 436, the Emergency Manager is issuing this order to rectify the Financial Emergency and allocate responsibilities in the event of the appointment of a Receivership Transition Advisory Board:

Pages 66-73 redacted

- 9) Take all steps necessary to successfully establish, develop, and complete the Karegnondi Water Authority (KWA) project.

6. This Order amends all previous Emergency Manager Orders to the extent that they are inconsistent.

7. This Order shall have immediate effect.

Date: _____

By: _____
Gerald Ambrose
Emergency Manager
City of Flint

Pages 76-82 redacted

Subject: Senior Staff Meeting
Location: Governor's Conference Room (Call-in Information Below)

Start: Mon 3/23/2015 9:00 AM
End: Mon 3/23/2015 10:00 AM

Recurrence: (none)

Meeting Status: Accepted

Organizer: Muchmore, Dennis (GOV)
Required Attendees: GovCalendar; Clayton, Stacie (GOV); Scott, Allison (GOV); Brownfield, Michael (GOV); Forstner, Nathaniel (GOV); Posthumus, Dick (GOV); Quebbeman, Marsha (GOV); McBride, Bill (GOV); Nixon, John (DTMB); Hollins, Harvey (GOV); Emmitt, Beth (GOV); Saunders, Kelli (GOV); Minix, Connie (DTMB); Wisniewski, Wendy (GOV); Agen, Jarrod (GOV); Roberts, John (GOV); Baird, Richard (GOV); Rustem, William (GOV); Reid, Teresa (GOV); Wurfel, Sara (GOV); Rospond, Laurie (GOV); Gadola, Michael (GOV)
Optional Attendees: Calley, Brian (GOV); Clement, Elizabeth (GOV); Tedder, Greg (GOV)

Redacted Text

Redacted Attachments 2-74

To: Roberts, John (DTMB); Muchmore, Dennis (GOV); Roberts, John (DTMB); Reid, Teresa (GOV); Emmitt, Beth (GOV); Brownfield, Michael (GOV); Wurfel, Sara (GOV); Hollins, Harvey (GOV); Baird, Richard (GOV); Forstner, Nathaniel (GOV); Rospond, Laurie (GOV); Minix, Connie (DTMB); Quebbeman, Marsha (GOV); Saunders, Kelli (GOV); Nixon, John (DTMB); McBride, Bill (GOV); Clayton, Stacie (GOV); Goei, Bing (GOV); Scott, Allison (GOV); GovCalendar; Posthumus, Dick (GOV); Gadola, Michael (GOV); Wisniewski, Wendy (GOV); Agen, Jarrod (GOV); Rustem, William (GOV)

Cc: Clement, Elizabeth (GOV); Tedder, Greg (GOV); Calley, Brian (GOV)

Redacted Text

Redacted Text

Redacted Text

Redacted Text

KWA

- Public groundbreaking ceremony for the process of converting Flint River water into drinking water once the City of Flint no longer receives water from Detroit during the transition toward the newly established Karegnondi Water Authority.
- Water will be cut off from Detroit on April 18th
- The conversion process for preparing the local water treatment facilities is expected to be completed by April 7th, however vendors have yet to be selected as of Wednesday of this week.
- Bids were due in from vendors by Thursday of this week, putting a strain on the willingness of qualified vendors to participate. The expedited timeframe is less than ideal and could lead to some big potential disasters down the road.

Redacted Attachments 76-87

To: Clayton, Stacie (GOV); Scott, Allison (GOV); Brownfield, Michael (GOV); Forstner, Nathaniel (GOV); Posthumus, Dick (GOV); Quebbeman, Marsha (GOV); McBride, Bill (GOV); Hollins, Harvey (GOV); Emmitt, Beth (GOV); Saunders, Kelli (GOV); Wisniewski, Wendy (GOV); Roberts, John (DTMB); Baird, Richard (GOV); Rustem, William (GOV); Reid, Teresa (GOV); Rospond, Laurie (GOV); Gadola, Michael (GOV)

Cc: Calley, Brian (GOV)

Redacted Text

Redacted Text

Flint

Water rate hike

Emergency Manager Darnell Earley has been forced to go on the defensive regarding the proposed increases over the upcoming years in the water usage rates. Water rates are a really hot button issue here, due to the increase in flat fees for infrastructure waste and sewage. Darnell wrote a piece that appeared in the Flint Journal outlining the actual rate increases and how no substantive changes would be made to fees. As a result the expected increases would be less. Public sentiment is still strongly in the camp of water rates in Flint being too high as is, and the expectation was that joining the Karengondi Water Authority would help lower costs.

Redacted Text

Redacted Attachments 89-119

Subject: Copy: Senior Staff Meeting
Location: Governor's Conference Room (Call-in Information Below)

Start: Mon 4/20/2015 9:00 AM
End: Mon 4/20/2015 9:45 AM

Recurrence: (none)

Meeting Status: Not yet responded

Organizer: Muchmore, Dennis (GOV)
Required Attendees: GovCalendar; Posthumus, Dick (GOV); Hollins, Harvey (GOV); Roberts, John (DTMB); Scott, Allison (GOV); McBride, Bill (GOV); Emmitt, Beth (GOV); Reid, Teresa (GOV); West, Samantha (GOV); Finney, Michael (GOV); Minix, Connie (DTMB); Wisniewski, Wendy (GOV); Agen, Jarrod (GOV); Redford, James (GOV); Baird, Richard (GOV); Quebbeman, Marsha (GOV); Clayton, Stacie (GOV); Rospond, Laurie (GOV); Walsh, John (GOV); Wurfel, Sara (GOV); Hall, Jean (GOV); Forstner, Nathaniel (GOV); Saunders, Kelli (GOV)
Optional Attendees: Calley, Brian (GOV); Clement, Elizabeth (GOV)

Redacted

Redacted attachments 1-74

To: Roberts, John (DTMB); Muchmore, Dennis (GOV); Roberts, John (DTMB); Reid, Teresa (GOV); Emmitt, Beth (GOV); Brownfield, Michael (GOV); Wurfel, Sara (GOV); Hollins, Harvey (GOV); Baird, Richard (GOV); Forstner, Nathaniel (GOV); Rospond, Laurie (GOV); Minix, Connie (DTMB); Quebbeman, Marsha (GOV); Saunders, Kelli (GOV); Nixon, John (DTMB); McBride, Bill (GOV); Clayton, Stacie (GOV); Goei, Bing (GOV); Scott, Allison (GOV); GovCalendar; Posthumus, Dick (GOV); Gadola, Michael (GOV); Wisniewski, Wendy (GOV); Agen, Jarrod (GOV); Rustem, William (GOV)

Cc: Clement, Elizabeth (GOV); Tedder, Greg (GOV); Calley, Brian (GOV)

Redacted

Redacted

KWA

- Public groundbreaking ceremony for the process of converting Flint River water into drinking water once the City of Flint no longer receives water from Detroit during the transition toward the newly established Karegnondi Water Authority.
- Water will be cut off from Detroit on April 18th
- The conversion process for preparing the local water treatment facilities is expected to be completed by April 7th, however vendors have yet to be selected as of Wednesday of this week.
- Bids were due in from vendors by Thursday of this week, putting a strain on the willingness of qualified vendors to participate. The expedited timeframe is less than ideal and could lead to some big potential disasters down the road.

Redacted attachments 76-87

To: Clayton, Stacie (GOV); Scott, Allison (GOV); Brownfield, Michael (GOV); Forstner, Nathaniel (GOV); Posthumus, Dick (GOV); Quebbeman, Marsha (GOV); McBride, Bill (GOV); Hollins, Harvey (GOV); Emmitt, Beth (GOV); Saunders, Kelli (GOV); Wisniewski, Wendy (GOV); Roberts, John (DTMB); Baird, Richard (GOV); Rustem, William (GOV); Reid, Teresa (GOV); Rospond, Laurie (GOV); Gadola, Michael (GOV)

Cc: Calley, Brian (GOV)

Redacted

Redacted

Flint

Water rate hike

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Redacted

Redacted attachments 89-122

Subject: Copy: Senior Staff Meeting
Location: Governor's Conference Room (Call-in Information Below)

Start: Mon 5/4/2015 9:00 AM
End: Mon 5/4/2015 10:00 AM
Show Time As: Out of Office

Recurrence: (none)

Meeting Status: Not yet responded

Organizer: Muchmore, Dennis (GOV)
Required Attendees: GovCalendar; Clayton, Stacie (GOV); Scott, Allison (GOV); Brownfield, Michael (GOV); Forstner, Nathaniel (GOV); Posthumus, Dick (GOV); Quebbeman, Marsha (GOV); Mcbride, Bill (GOV); Nixon, John (DTMB); Hollins, Harvey (GOV); Emmitt, Beth (GOV); Saunders, Kelli (GOV); Minix, Connie (DTMB); Wisniewski, Wendy (GOV); Agen, Jarrod (GOV); Roberts, John (GOV); Baird, Richard (GOV); Rustem, William (GOV); Reid, Teresa (GOV); Wurfel, Sara (GOV); Rospond, Laurie (GOV); Gadola, Michael (GOV)
Optional Attendees: Calley, Brian (GOV); Clement, Elizabeth (GOV); Tedder, Greg (GOV)

Redacted

Redacted attachments 1-74

Redacted

Redacted

KWA

- Public groundbreaking ceremony for the process of converting Flint River water into drinking water once the City of Flint no longer receives water from Detroit during the transition toward the newly established Karegnondi Water Authority.
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Redacted attachments 76-87

To: Clayton, Stacie (GOV); Scott, Allison (GOV); Brownfield, Michael (GOV); Forstner, Nathaniel (GOV); Posthumus, Dick (GOV); Quebbeman, Marsha (GOV); McBride, Bill (GOV); Hollins, Harvey (GOV); Emmitt, Beth (GOV); Saunders, Kelli (GOV); Wisniewski, Wendy (GOV); Roberts, John (DTMB); Baird, Richard (GOV); Rustem, William (GOV); Reid, Teresa (GOV); Rospond, Laurie (GOV); Gadola, Michael (GOV)

Cc: Calley, Brian (GOV)

Redacted

Redacted

Flint

Water rate hike

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Redacted

Redacted attachments 89-124

Subject: Copy: Senior Staff Meeting
Location: Governor's Conference Room (Call-in Information Below)

Start: Mon 5/11/2015 9:00 AM
End: Mon 5/11/2015 10:00 AM
Show Time As: Out of Office

Recurrence: (none)

Meeting Status: Not yet responded

Organizer: Muchmore, Dennis (GOV)
Required Attendees: GovCalendar; Clayton, Stacie (GOV); Scott, Allison (GOV); Brownfield, Michael (GOV); Forstner, Nathaniel (GOV); Posthumus, Dick (GOV); Quebbeman, Marsha (GOV); McBride, Bill (GOV); Nixon, John (DTMB); Hollins, Harvey (GOV); Emmitt, Beth (GOV); Saunders, Kelli (GOV); Minix, Connie (DTMB); Wisniewski, Wendy (GOV); Agen, Jarrod (GOV); Roberts, John (GOV); Baird, Richard (GOV); Rustem, William (GOV); Reid, Teresa (GOV); Wurfel, Sara (GOV); Rospond, Laurie (GOV); Gadola, Michael (GOV)
Optional Attendees: Calley, Brian (GOV); Clement, Elizabeth (GOV); Tedder, Greg (GOV)

Redacted

Redacted attachments 1-74

To: Roberts, John (DTMB); Muchmore, Dennis (GOV); Roberts, John (DTMB); Reid, Teresa (GOV); Emmitt, Beth (GOV); Brownfield, Michael (GOV); Wurfel, Sara (GOV); Hollins, Harvey (GOV); Baird, Richard (GOV); Forstner, Nathaniel (GOV); Rospond, Laurie (GOV); Minix, Connie (DTMB); Quebbeman, Marsha (GOV); Saunders, Kelli (GOV); Nixon, John (DTMB); McBride, Bill (GOV); Clayton, Stacie (GOV); Goei, Bing (GOV); Scott, Allison (GOV); GovCalendar; Posthumus, Dick (GOV); Gadola, Michael (GOV); Wisniewski, Wendy (GOV); Agen, Jarrod (GOV); Rustem, William (GOV)

Cc: Clement, Elizabeth (GOV); Tedder, Greg (GOV); Calley, Brian (GOV)

Redacted

Redacted

KWA

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Redacted attachments 76-87

To: Clayton, Stacie (GOV); Scott, Allison (GOV); Brownfield, Michael (GOV); Forstner, Nathaniel (GOV); Posthumus, Dick (GOV); Quebbeman, Marsha (GOV); McBride, Bill (GOV); Hollins, Harvey (GOV); Emmitt, Beth (GOV); Saunders, Kelli (GOV); Wisniewski, Wendy (GOV); Roberts, John (DTMB); Baird, Richard (GOV); Rustem, William (GOV); Reid, Teresa (GOV); Rospond, Laurie (GOV); Gadola, Michael (GOV)

Cc: Calley, Brian (GOV)

Redacted

Redacted

Redacted

Flint

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Redacted

Redacted

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Redacted

Redacted attachments 88-125

Subject: Copy: Senior Staff Meeting
Location: Governor's Conference Room (Call-in Information Below)

Start: Mon 5/18/2015 9:00 AM
End: Mon 5/18/2015 10:00 AM
Show Time As: Out of Office

Recurrence: (none)

Meeting Status: Not yet responded

Organizer: Muchmore, Dennis (GOV)
Required Attendees: GovCalendar; Clayton, Stacie (GOV); Scott, Allison (GOV); Brownfield, Michael (GOV); Forstner, Nathaniel (GOV); Posthumus, Dick (GOV); Quebbeman, Marsha (GOV); McBride, Bill (GOV); Nixon, John (DTMB); Hollins, Harvey (GOV); Emmitt, Beth (GOV); Saunders, Kelli (GOV); Minix, Connie (DTMB); Wisniewski, Wendy (GOV); Agen, Jarrod (GOV); Roberts, John (GOV); Baird, Richard (GOV); Rustem, William (GOV); Reid, Teresa (GOV); Wurfel, Sara (GOV); Rospond, Laurie (GOV); Gadola, Michael (GOV)
Optional Attendees: Calley, Brian (GOV); Clement, Elizabeth (GOV); Tedder, Greg (GOV)

Redacted

Redacted attachments 1-74

To: Roberts, John (DTMB); Muchmore, Dennis (GOV); Roberts, John (DTMB); Reid, Teresa (GOV); Emmitt, Beth (GOV); Brownfield, Michael (GOV); Wurfel, Sara (GOV); Hollins, Harvey (GOV); Baird, Richard (GOV); Forstner, Nathaniel (GOV); Rospond, Laurie (GOV); Minix, Connie (DTMB); Quebbeman, Marsha (GOV); Saunders, Kelli (GOV); Nixon, John (DTMB); McBride, Bill (GOV); Clayton, Stacie (GOV); Goei, Bing (GOV); Scott, Allison (GOV); GovCalendar; Posthumus, Dick (GOV); Gadola, Michael (GOV); Wisniewski, Wendy (GOV); Agen, Jarrod (GOV); Rustem, William (GOV)

Cc: Clement, Elizabeth (GOV); Tedder, Greg (GOV); Calley, Brian (GOV)

Redacted

Redacted

KWA

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Redacted attachments 76-87

To: Clayton, Stacie (GOV); Scott, Allison (GOV); Brownfield, Michael (GOV); Forstner, Nathaniel (GOV); Posthumus, Dick (GOV); Quebbeman, Marsha (GOV); McBride, Bill (GOV); Hollins, Harvey (GOV); Emmitt, Beth (GOV); Saunders, Kelli (GOV); Wisniewski, Wendy (GOV); Roberts, John (DTMB); Baird, Richard (GOV); Rustem, William (GOV); Reid, Teresa (GOV); Rospond, Laurie (GOV); Gadola, Michael (GOV)

Cc: Calley, Brian (GOV)

Redacted

Redacted

Flint

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Redacted

Redacted attachments 89-126

Subject: Copy: Senior Staff Meeting
Location: Governor's Conference Room (Call-in Information Below)

Start: Tue 5/26/2015 10:15 AM
End: Tue 5/26/2015 11:00 AM

Recurrence: (none)

Meeting Status: Not yet responded

Organizer: Muchmore, Dennis (GOV)
Required Attendees: Walsh, John (GOV); Saunders, Kelli (GOV); Rospond, Laurie (GOV); Scott, Allison (GOV); McBride, Bill (GOV); Forstner, Nathaniel (GOV); Agen, Jarrod (GOV); West, Samantha (GOV); Hollins, Harvey (GOV); Clayton, Stacie (GOV); Emmitt, Beth (GOV); Roberts, John (DTMB); Quebbeman, Marsha (GOV); Baird, Richard (GOV); GovCalendar; Finney, Michael (GOV); Redford, James (GOV); Reid, Teresa (GOV); Wurfel, Sara (GOV); Hall, Jean (GOV); Minix, Connie (DTMB); Wisniewski, Wendy (GOV); Posthumus, Dick (GOV)
Optional Attendees: Calley, Brian (GOV); Clement, Elizabeth (GOV)

Redacted

Redacted attachments 1-74

To: Roberts, John (DTMB); Muchmore, Dennis (GOV); Roberts, John (DTMB); Reid, Teresa (GOV); Emmitt, Beth (GOV); Brownfield, Michael (GOV); Wurfel, Sara (GOV); Hollins, Harvey (GOV); Baird, Richard (GOV); Forstner, Nathaniel (GOV); Rospond, Laurie (GOV); Minix, Connie (DTMB); Quebbeman, Marsha (GOV); Saunders, Kelli (GOV); Nixon, John (DTMB); McBride, Bill (GOV); Clayton, Stacie (GOV); Goei, Bing (GOV); Scott, Allison (GOV); GovCalendar; Posthumus, Dick (GOV); Gadola, Michael (GOV); Wisniewski, Wendy (GOV); Agen, Jarrod (GOV); Rustem, William (GOV)

Cc: Clement, Elizabeth (GOV); Tedder, Greg (GOV); Calley, Brian (GOV)

Redacted

Redacted

KWA

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Redacted attachments 76-127

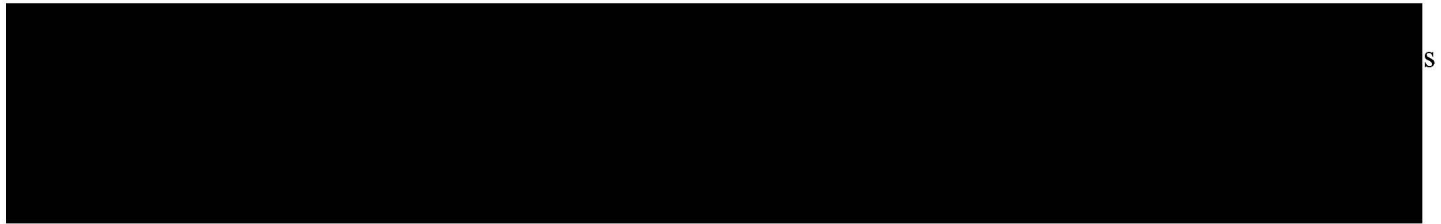
From: Snyder, Rick (GOV)
Sent: Wednesday, April 02, 2014 4:17 PM
To: Allen Park
Subject: Allen Park
Attachments:

Redacted

Redacted attachments 2-12

From: Dillon, Andy (Treasury)
Sent: Sunday, March 17, 2013 5:14 PM
Subject: Fwd: March Treasurer's Governor's Memorandum
Attachments: Treasurer's Governor's Memorandum 3-15-13.docm

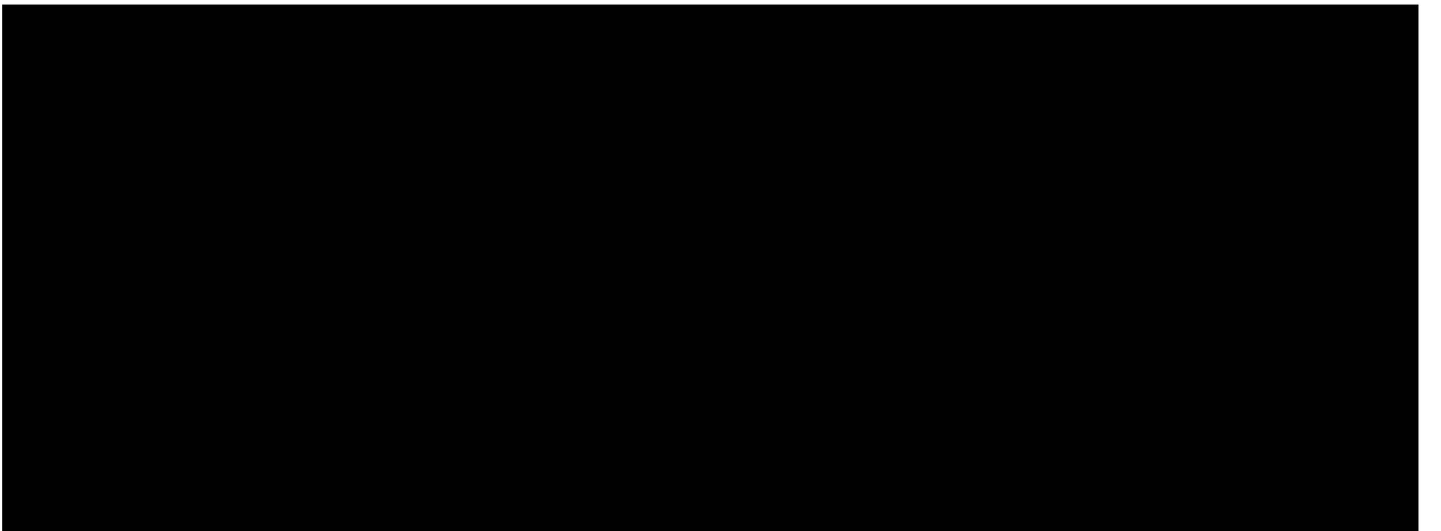
Governor,



Some of the items I don't like in the attached are:

It says we will meet with EMs over the next couple months, it won't take that long.

Flint summary says no near term exit despite Governor and Mayor's contrary wishes. I will dig into this more deeply and report back. KWA misrepresented based on my mtg w engineering firm this week. Report I got is that Flint should stay w DWSD.



Regards,

Andy

Sent from my iPad

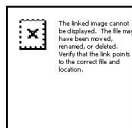
Begin forwarded message:

From: "Koryzno, Edward (Treasury)" <KoryznoE@michigan.gov>
Date: March 15, 2013 9:07:04 AM EDT
To: "Dillon, Andy (Treasury)" <DillonA2@michigan.gov>, "Fraser, Roger (Treasury)" <FraserR1@michigan.gov>, "Stibitz, Brom (Treasury)" <StibitzB@michigan.gov>
Subject: March Treasurer's Governor's Memorandum

Final version attached w/o dashboards.

Edward B. Koryzno, Jr. | Administrator - Office of Fiscal Responsibility

State of Michigan | 430 W. Allegan Street, 1st Floor | Lansing, MI 48922



(517) 373-4415 | (517) 373-0633 (fax)

KoryznoE@michigan.gov



Think Green! Don't print this e-mail unless you need to.

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Thank you



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

ANDY DILLON
STATE TREASURER

DATE: March 15, 2013
TO: Governor Rick Snyder
FROM: Andy Dillon, State Treasurer
SUBJECT: Status of Financially Distressed Local Governments

Redacted

Redacted Pages 2-3

Redacted

City of Flint

Redacted

- Update: The City of Flint has been participating with Genesee County on the feasibility of the City's use of a planned water pipe line from Lake Huron that would serve a large portion of Genesee County as an alternative to water supplied by DWSD. An engineering firm selected by Treasury to conduct an independent evaluation of Flint's choices for water supply presented their findings on December 18th. This is a critical long-term decision for Flint and the region. The economics show that but for the excess cost of DWSD water during the three year construction period of the Karegnondi Water Authority (KWA) pipeline, the City will benefit from lower water costs in the long term by using the KWA water and treating the water in Flint at their own, existing, water treatment plant. A recent proposal shows that with cooperative efforts with the County, those excess costs can be further minimized.

Redacted

Redacted Pages 5-16

Redacted attachments 15-28